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Weekend

# FINANCIAL TIMES

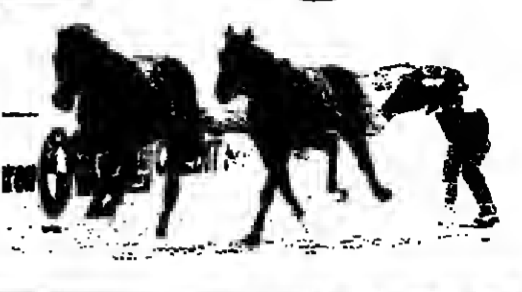
Weekend FT  
The drinks are on Russia



Lunch with Lisa Leeson



Sport on ice at St Moritz



World Business Newspaper

WEEKEND MARCH 2/MARCH 3 1996

## US grants visa to president of IRA's political wing

US president Bill Clinton yesterday granted a three-month visa to Gerry Adams, president of the political wing of the anti-British Irish Republican Army. The move, against British government wishes, follows prime minister John Major's outburst on Thursday against the IRA's failure to renew its ceasefire. It is understood the Sinn Féin leader will not be allowed to raise funds while in the US for St Patrick's day celebrations on March 17, and will not visit the Whitehouse party to mark the Irish holiday. Page 22

## Gorbachev to seek Russian presidency

Former Soviet leader Mikhail Gorbachev, who dismantled his country's totalitarian system, declared yesterday that he would run for Russian president in June. Though feted in the west, Mr Gorbachev is apparently loathed in Russia and seems to stand little chance of success. A recent opinion poll gave him just 1 per cent support among voters. Page 22

## Threat to block IGC: Germany's Social Democratic party threatened to block the country's ratification of measures arising from the Inter-governmental Conference on reforming the European Union unless it agrees to job-boosting steps. Page 2

## Athens demands envoy's recall: Greece is asking Italy and the Netherlands to recall their military attaches after they were detained with documents which "could have been related to information on military installations". Page 2

## Fokker on the brink: Heavily indebted Dutch aircraft maker Fokker was a step away from bankruptcy after the Dutch government extended bridging credits for another 14 days. Page 5

## US anger at Colombia: Washington struck Colombia off its list of countries making progress against illegal drugs, which means the country will lose US aid and economic co-operation. Page 8

## Tribunal charges officer: The UN tribunal for former Yugoslavia charged Bosnian Serb general Djordje Djindjic with war crimes related to bombardments of civilians in Sarajevo. Djindjic was captured on January 30 and flown to The Hague.

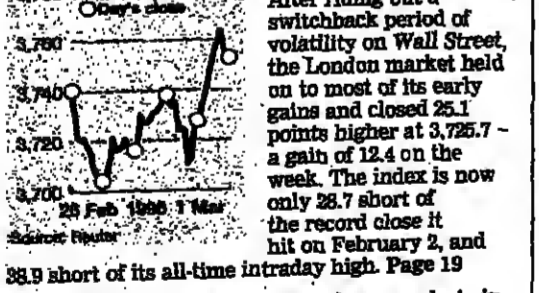
## Pera crash kills 123: A Boeing 737 crashed in the Peruvian Andes, killing all 123 people aboard. The aircraft left Lima bound for Arequipa but crashed as it prepared to land in the southern city.

## Normandy Mining of Australia became a candidate for takeover when Mincon, an offshore operating arm of South Africa's Anglo American Corporation, sold its 18.9 per cent stake - much of which was then acquired by Australia's Newcrest Mining. Page 6

## US index improves slightly: The US purchasing managers' index rose to 45.3 per cent last month from January's 44.2 per cent, showing the outlook for manufacturing is still troubled. Page 3

## Belgian strike hits travel: A one-day strike by two Belgian rail unions disrupted travel. The unions took action over plans, including job and pay cuts, aimed at making the railways profitable.

## UK stocks surge amid rate cut hopes: FT-SE 100 index



London stocks raced ahead yesterday amid growing expectations of a cut in interest rates. After riding out a switchback period of volatility on Wall Street, the London market held on to most of its early gains and closed 25.1 points higher at 3,725.7 - a gain of 12.4 on the week. The index is now only 28.7 short of the record close it hit on February 2, and 38.9 short of its all-time intraday high. Page 19

## Pure rock: Rock bands who perform regularly in Hanoi will have to pass a culture ministry purity test. The move is part of Vietnam's purge of political social vices and foreign influences.

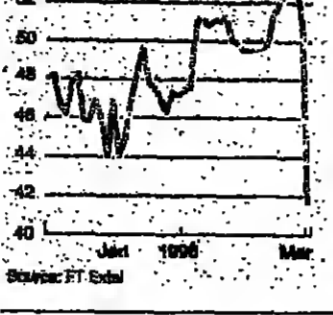
Companies in this issue

|                   |     |                   |   |
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| 4                 | ICI | 5                 |   |
| British Airways   | 6   | Kvaerner          | 6 |
| Capital & Western | 6   | Lucas (Thomas)    | 6 |
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## Compaq Computers



## Compaq shares fall over price-cut strategy

Shares of Compaq Computer, the world's largest personal computer manufacturer, fell sharply yesterday after it said it would be forced to cut its prices to meet first-quarter sales targets. The Compaq warning prompted a 16 per cent drop in its share price by mid-session in New York and sent shock waves through

the US high technology sector. Mr Eckhard Pfeiffer, Compaq chief executive, said February sales had not met anticipated growth rates. The company added that competition had intensified, particularly in the North American market for PC servers - powerful computers linked to networks of desktop machines. The Compaq announcement raised investor fears of a decline

in demand for PCs. Compaq's shares were trading at \$42 1/2 at mid-session, down 8 1/2, while shares in Intel, the leading supplier of microprocessors to the PC industry, were down \$2 1/2 at \$56. Dell Computer was down \$2 1/2 at \$30 1/2. Compaq insisted, however, that growth in the consumer and corporate segments of the PC market continued to be strong. "This is not a demand issue,"

said Mr Daryl White, Compaq finance director. One exception, however, is in Germany, where PC sales had declined over the past few months, he said. "This may be related to economic and political conditions," he suggested. Further evidence of problems in the German PC market came yesterday from Escom, one of the leading German PC manufacturers. The company announced a

DM125m (\$85m) loss for 1995, blaming market conditions for its declining revenues and inventory write-offs. In the North American market, Compaq said its PC server business was coming under mounting pressure from top competitors. PC servers typically carry much higher profit margins than desktop or laptop

Continued on Page 22  
Escom deficit, Page 5

## Tokyo urges EU to match Asia's free trade moves

By Peter Montagnon, Ted Bardacka and John Kampefer in Bangkok

Mr Ryutaro Hashimoto, Japan's prime minister, yesterday called on European leaders to open their markets to respond to the trade liberalisation process under way in the Asia-Pacific. The Japanese leader's challenge, delivered at the European Union-Asia summit in Bangkok, echoed the growing fear among Asian nations that Europe would be a "free-rider" without market-opening measures of its own.

Countries in the Asia-Pacific Economic Co-operation forum (Apec), which also includes the US, have already agreed to free all their trade by 2020, even with nations outside the region. A search for ways of meshing the Apec objective with separate and still informal efforts to improve Asia's trade and investment links with Europe has emerged as a main theme of the summit.

Despite Asian fears that the meeting would be dominated by rows over human rights, trade and security issues came to the fore. European leaders raised human rights issues privately with China and other Asian

countries but, as expected, kept them out of group sessions. The summit rejected a formal Apec-style timetable for trade liberalisation between Asia and Europe. Instead, leaders focused on the need to work through the World Trade Organisation.

EU officials said Europe did much to open its markets to the outside world under its 1992 single market programme. But they acknowledged privately that if Apec moves far ahead of Europe, they might have to consider further measures of their own. Sir Leon Brittan, EU trade commissioner, said he was pleased the summit would agree to detailed follow-up measures, which will be part of a communiqué today and are expected to include a meeting of officials to prepare a strong agenda for the WTO ministerial meeting in Singapore in December.

But Europe has had less success in persuading Asia to consider more liberal rules on foreign investment. Though Thailand has proposed an "action plan" on investment, its definition remains unclear. Many Asian countries still prefer voluntary action to attract investment rather than allow rules preventing discrimination

## Madrid stock market climbs to two-year high



## Investors poised for poll win by Spanish opposition

By David White and Tom Burns in Madrid

Madrid's stock market reached a two-year high yesterday in anticipation of a general election victory by the centre-right Popular party tomorrow. However, investors were waiting to see whether the PP, bidding to end the Socialist administration's 13-year rule, would win enough seats to be able to govern alone and push through plans to liberalise the economy and cut the state deficit.

"We are waiting to move," said one London trader as the Madrid stock market index edged up 0.32 points to 345.87, its highest level since early 1994. The markets are looking for a clear result, which they believe would prompt a rapid cut in interest rates. Leaders of Spain's political parties last night sought to muster last-minute support for the elections, widely expected to bring the PP to power for the first time. A tense campaign, twice interrupted last month by terrorist killings by the Basque Eta organisation, came to a halt at midnight after final meetings staged

Continued on Page 22  
Exhibition of democracy, Page 9

## Japanese business confidence at highest level for four years

By William Dawkins in Tokyo

Japanese companies are at their most confident for four years, according to a central bank survey, heightening speculation that interest rates may be increased. However, other figures released yesterday pointed to only a moderate recovery in the country's economy.

The latest Bank of Japan quarterly corporate confidence index - which measures the balance between those reporting better and worse business conditions - produced a score of minus 12 per cent among manufacturing companies last month, a slight improvement on minus 14 per cent in the previous poll in November. Business sentiment has been

on a gentle rise since early 1994, interrupted by a downward jolt in the middle of last year when the dollar fell to just under Y90, a level widely thought to be beyond Japanese exporters' ability to compete internationally. The central bank report, known as the Tankan survey, is the most comprehensive guide to Japan's short-term economic outlook and is an important influence on monetary policy.

Tokyo economists are speculating that the central bank might take these results, the latest in a series of pointers to recovery, as a signal to tighten its unprecedentedly loose monetary stance over the next few months. In anticipation, long-term interest rates have risen recently. But BOJ and Finance Ministry officials stress that they wish to stabilise the financial system's problems before considering any change in monetary stance. To add to policymakers' caution, yesterday's Tankan survey confirmed that the recovery is still gradual. Big manufacturers expect sales to rise by 2.1 per cent in the financial year to March 1997, the third year of increase, after 1.5 per cent in the current year. The balance of service sector companies to report better conditions improved from minus 22 per cent to minus 19 per cent, rather less cheerful than manufacturers. Small manufacturing businesses saw a larger improvement, from minus 30 per cent to

Continued on Page 22

### STOCK MARKET INDICES

|  |  |                        |                                 |                              |
|--|--|------------------------|---------------------------------|------------------------------|
| FT-SE 100: 3,725.7 (+25.1)             | Yield: 3.91  | US LUNCHTIME RATES     | STERLING                        | DOLLAR                       |
| FT-SE Eurostoxx 100: 1,690.91 (+15.91) | FT-SE A-All-Share: 1,992.03 (+0.67%)                       | Federal Funds: 6 1/2%  | New York Lunchtime: \$ 1,628.05 | New York Lunchtime: DM 1,477 |
| Nikkei: 20,186.63 (+43.23)             | New York Interchange: Dow Jones Ind Ave: 5,894.41 (+18.73) | 3-m Treas Bill: 4.871% | London: \$ 1,628.05             | DM 1,477                     |
| S & P Composite: 840.81                | S & P Composite: 840.81                                    | Long Bond: 9 1/2%      | Yield: 6.589%                   | FFR 1,038.25                 |
|  |  |                        |                                 | SFR 1,203.25                 |
|  |  |                        |                                 | Y 105.50                     |
|  |  |                        |                                 | DM 1,255.69 (2.23)           |
|  |  |                        |                                 | DM 1,478.9 (1.4697)          |
|  |  |                        |                                 | FFR 5,057.4 (5.0389)         |
|  |  |                        |                                 | SFR 1,203.94 (1.1985)        |
|  |  |                        |                                 | Y 105.435 (05.4)             |
|  |  |                        |                                 | S Index 85.5 (85.4)          |
|  |  |                        |                                 | Tokyo close Y 105.55         |

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NEWS: INTERNATIONAL

Bonn opposition party demands European Union conference take up issue of high unemployment

German SPD threatens to block IGC

By Peter Norman in Bonn

Germany's opposition Social Democratic party yesterday threatened to block German ratification of measures arising from the Inter-Governmental Conference to reform the European Union unless it agrees steps to boost employment or takes steps towards a "social union" in Europe.

- which begins in Turin at the end of this month - in view of mass unemployment affecting nearly 20m people in the EU. "That means there must at last be agreements on employment policy and the European Social Union," said Ms Heidemarie Wierczok-Zeul, the SPD's European policy spokeswoman, and Ms Ursula Engelen-Kafer, deputy head of the German Trade Union Federation and an SPD leader. The SPD called for "binding

rules" on economic, employment and finance policy to be added to the Maastricht treaty to make possible a "European alliance for jobs". It said the treaty should be changed to allow more qualified majority voting on social issues leading to a European decision on minimum social standards. At a press conference to explain the party's new stance on the IGC, Ms Wierczok-Zeul said that in the absence of social and employment measures the SPD would refuse to allow ratification of other changes arising from the IGC negotiations in the Bundestag, the lower house of parliament. As measures involving transfer of power to the EU require a two-thirds majority in the Bundestag, the SPD can in effect block measures agreed at the IGC and veto further progress in the EU. The SPD's statements mark a further weakening of Germany's traditional bi-partisan

approach to EU affairs. Since last year SPD leaders have been expressing doubts about economic and monetary union. The Bonn government has so far sought a relatively lean agenda for the IGC, arguing that to press for decisions on too many issues would cause the conference to become hopelessly bogged down. Germany hopes to achieve progress towards a common foreign and security policy; greater co-operation in internal

affairs such as dealing with asylum seekers, migration and combating organised crime and drug trafficking; reform of EU institutions to make decision-making more effective; and greater transparency in EU affairs to increase support for Europe among voters. Although Chancellor Helmut Kohl has made unemployment the government's overriding domestic policy goal, he is unlikely to welcome the SPD's IGC threat.

INTERNATIONAL NEWS DIGEST

Athens demands attachés' recall

Greece said yesterday it had asked Italy and the Netherlands, its Nato partners, to recall their military attachés after they were briefly detained in January on the eastern Aegean island of Lesbos. A government statement said notes belonging to them were found "which could have related to information about military installations". The announcement followed a question in parliament by a deputy from the governing Socialist party, who said the attachés were arrested on January 27, two days before Greece and Turkey came to the brink of war over two Aegean islands. Diplomats said it was unprecedented for a Nato partner to expel a military attaché from another alliance member state. The tense climate in the Aegean has made Greece sensitive about fortifications in islands close to Turkey, where several thousand Greek troops are stationed. Kerin Hope, Athens

Property setback for Bonn

Chancellor Helmut Kohl's governing Christian Democrats yesterday suffered a setback after the Bundesrat, or upper house, threw out a draft law which would have given former owners of property along the Berlin Wall the right to restitution, provided they paid 35 per cent of the current market value to get their land back. Instead, the SPD, which dominates the Bundesrat, said former owners should not have to pay anything at all, a move which would delight former owners, particularly east Germans who cannot afford to pay for land which was theirs before the wall was built in 1961. It will, however, prolong a six-year dispute which has plagued investors and divided the nation. The case will now be referred to an arbitration committee of the two parliamentary chambers. Judy Dempsey, Berlin

Germany to outlaw army taunts

Germany's ruling coalition yesterday approved a draft bill which would punish pacifists who taunted the army. The bill is a response to conservative outrage at a series of court decisions endorsing the right of anti-war protesters to use the slogan Soldiers are murderers, coined in the 1920s by leftwing socialist Kurt Tscholsky. The government is also keen to boost the army's status. Under the bill, those who insult the army will be fined or jailed for up to three years. Reuter, Bonn

Caracas delays IMF talks

Political turmoil in the Venezuelan Congress has forced Caracas to postpone negotiations with the International Monetary Fund over a standby agreement. Mr Luis Matos Azocar, minister of finance, said the talks had been put off by "a couple of days" until the situation in Congress had been clarified. Indications of a shift in party alliances ahead of today's elections for the president of Congress threatened the government's majority and its negotiating basis with the IMF. Mr Azocar is considering withdrawing support from the government to join an alliance of opposition parties in exchange for the top congressional post. Mr Matos Azocar said the government depended on congressional support to approve tax bills that would help reduce the budget deficit. The postponement of the IMF talks coincides with fading hopes that Venezuela will soon reach a standby agreement over \$3bn. Raymond Collitt, Caracas

Warning on Russian trade curbs

The European Commission yesterday warned Russia that a future EU-Russia free trade pact and membership of the World Trade Organisation would be in jeopardy if Moscow put tariffs on a range of imports. Moscow wants to become a member of the WTO, but is under growing pressure ahead of presidential elections in June to defend its vulnerable industrial base with more protectionist economic policies. Mr Vladimir Panskov, finance minister, has said he wants to raise import tariffs on a range of goods from alcohol to cars by an average of 20 per cent. Mr Hans van den Broek (above), EU foreign affairs commissioner, plans to discuss the issue during a visit to Moscow on March 18-19. Reuter, Brussels

Hyundai plans \$6bn chip plants

Hyundai Electronics plans to spend \$6.6bn on four overseas semiconductor plants by the end of the decade, according to Mr Chung Mong-hun, the South Korean company's chairman. The new facilities in the US, Europe and south-east Asia are part of a \$10.7bn foreign investment programme. Two of the plants will be located in the US, including a \$1.3bn facility in Eugene, Oregon to produce memory chips and a \$2bn facility to manufacture wafers. The \$1.3bn European plant, which Mr Chung said was likely to be located in the UK, will produce memory chips, while the \$2bn south-east Asian facility will manufacture wafers. Hyundai will also invest \$300m to expand the production of hard disk drives in China and Singapore, while spending \$1bn to begin the overseas assembly of hard disk drive heads and other components following its 1994 purchase of Maxtor, a US hard disk drive maker. John Burton, Seoul

Solar power for drink dispensers

Japan's environment agency yesterday reached an agreement to replace 10 per cent of the nation's soft drink vending machines with models powered by solar batteries. The accord reached between the agency and domestic vending machine makers called for the introduction of about 193,000 new machines within seven years, officials at the agency said. According to the agency, Japan had 4.1m vending machines at the end of 1993, with 1.38m selling soft drinks. Kyodo, Tokyo

Turkish right close to a coalition pact

By John Berham in Ankara

Turkey's two rival conservative leaders said last night they were close to forming a coalition government, but a "few small differences" remained to be settled before they could sign an agreement.

Mrs Tansu Ciller, caretaker prime minister and head of the True Path party, said: "We hope to announce the coalition's framework and outlines on Sunday. We have overcome important stages in the coalition." Mr Mesut Yilmaz of the opposition Motherland party added that "only details" remained to be settled. The outcome of the talks was extremely positive.

Mr Yilmaz said he expected final agreement by tomorrow. Mrs Ciller said both parties would approve the coalition next week, allowing them to sign the new governments programme formally in the middle of the week.

Previously the two leaders had each demanded that they lead the coalition first before handing over the premiership to the other after a year. They also quarrelled over the powerful economic ministries. Disagreement over these points blocked two previous attempts at forming a coalition since inconclusive elections in December gave no party a mandate to rule. The Islamist Welfare party won the most seats in parliament, but failed to clinch a coalition deal with

Mr Yilmaz last week.

Mrs Ciller, apparently responding to pressure from business, the media and the politically powerful military, has agreed to cede the premiership to Mr Yilmaz before taking over again in 1997 for two years, after which Mr Yilmaz would resume as prime minister for another year. A neutral figure would lead the coalition in its final fifth year. The two parties have also reportedly agreed on how to divide the economic portfolios.

Although business welcomes the coalition, some in the Istanbul business world still question its ability to govern effectively. Mr Erol Sabanci, head of Akbank, Turkey's highest private bank, said yesterday: "I worry that this government cannot tackle problems adequately. If there are two voices in management it is not easy to make decisions." Another senior banker said he feared political infighting would interfere with managing the economy: "If one party controls the central bank and the other has the treasury they could do a lot of damage if they don't learn to co-operate."

Mr Sabanci says he is reconciled to a continuation of Turkey's high inflation and high budget deficits, and expects poverty to worsen. He says new elections should be called in three to six months in the hope that voters would return a strong centre-right government.



General Djukic greets a member of his defence team at The Hague tribunal yesterday

Serb general indicted by war crimes tribunal

By Laura Silber in The Hague

A Bosnian Serb officer, General Djordje Djukic, was yesterday indicted by the international tribunal on war crimes in the former Yugoslavia for shelling civilians in Sarajevo. The case is the most crucial test for the The Hague war crimes tribunal since it was founded three years ago. General Djukic, 61 next week, has been held in custody with Bosnian Serb Colonel Aleksa Krsmanovic since February 12 after being extradited from Sarajevo. The two officers were seized by Moslem-led Bosnian government police on January 30 after they took a wrong turn near Sarajevo. Chief prosecutor Richard Goldstone said he was satisfied there was enough evidence to justify indicting General Djukic. The general's lawyers had demanded his release and insisted that he would refuse to co-operate with the tribunal. Mr Goldstone said Gen Djukic was logistics assistant to Bosnian Serb General Ratko Mladic, who is charged with genocide, and helped the Bosnian Serb army to shell civilian targets during the siege of Sarajevo. Previously he was the Yugoslav army officer in charge of logistics in Bosnia and remained allegedly close to the Serbian leadership, who sponsored the Bosnian Serbs. Prosecutors are now investigating whether he was involved in procuring buses used to transport Moslems from Srebrenica, where Serb soldiers are believed to have killed up to 8,000 Moslem men, or in the transport by rail of Moslems and Croats to Bosnian Serb detention camps.

The tribunal said a detention order on Colonel Krsmanovic had been extended for a month until April 3. Col Krsmanovic has not been indicted but is being held as a possible war crimes suspect and witness. The case has raised fears among western governments that, in the short term, the prosecution of war criminals - in particular the top leadership - will upset the hard-won Dayton peace agreement. The Bosnian Serb military last month severed all links with the Nato-led Implementation Force (Ifor) for two weeks in protest against the "kidnapping" of Gen Djukic. The tribunal has now indicted 53 people, all but seven of them Serbs. Of the 53, only Gen Djukic and one other Serb, Mr Dusan Tadic, are in the tribunal's custody. Mr Radovan Karadzic, Bosnian Serb chief, and General Mladic, military commander, were indicted last July but western ambivalence towards the tribunal is illustrated by the reluctance of Ifor to arrest the two men. Indeed, Mr Karadzic this week travelled across Bosnia to Banja Luka, the north-western Serb city, where he was even in a building guarded by Ifor. Goldstone interview. Weekend FT, Page XX

Ukraine to speed state sell-offs

By Matthew Kaminski in Kiev

Ukraine plans to speed up the privatisation of nearly 400 companies and sell four large state enterprises by international tender, the state property fund announced yesterday. The move is intended to highlight the government's commitment to privatisation, which was severely criticised by market reformers last year. The sell-offs could unlock more foreign aid and investment. In a voucher auction, 320 medium and large companies will be offered, more than at any time since the programme was launched a year ago. Another 53 are to be sold for cash through the stock exchange.

The pace of mass privatisation picked up late last year, as 247 of 565 companies sold in 1995 went in the last quarter. The government, pressed by disappointed western donors, deflated enterprise price tags, improved incentives for management and streamlined regulations in order to get the effort off the ground. It also has sought to sidestep parliament, dominated by communists opposed to privatisation, by using cabinet or presidential decrees rather than legislation. The state property fund said 817 more companies had been prepared for sale. Mr Leonid Kuchma, Ukraine's president, said last year Ukraine would sell 8,000 large enterprises and complete privatisation of small companies in 1995, but he never gave the programme enough political backing. However, in a recent speech he again declared his political support for the state property fund, Ukraine's privatisation agency, which is often entangled in turf battles with reluctant local government officials. Small-scale privatisation is now supposed to be finished by the middle of the year. The World Bank has demanded Ukraine accelerate privatisation before receiving about \$300m of loans. Privatisation receipts are critical to keeping the tight revenue and expenditure targets in the draft 1996 budget.

Little Estonia sends big tremors through mighty Orthodox church

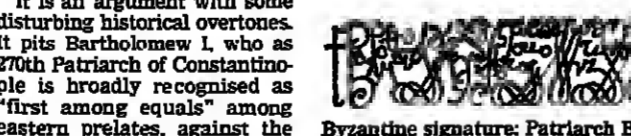
The Soviet break-up has sparked rivalry between Moscow and Istanbul for leadership of the eastern Christians, reports Bruce Clark

From Vladivostok to Corfu, eastern Christians will tomorrow mark Orthodox Sunday - a commemoration of the moment in the 9th century when the veneration of icons was accepted as church doctrine after 100 years of strife. But even as the downfall of the iconoclasts - the would-be destroyers of religious paintings - is celebrated for the 1,153rd time, a new fault line is emerging among the world's 160m or so Orthodox believers. It is an argument with some disturbing historical overtones. It pits Bartholomew I, who as 270th Patriarch of Constantinople is broadly recognised as "first among equals" among eastern prelates, against the largest and most powerful group of his co-religionists - the Patriarchate of Moscow.

At stake are the 80 or so Orthodox parishes in Estonia, which were subordinated to the Moscow Patriarchate after the Soviet annexation of that republic in 1940 - but have recently returned to the mother church in Istanbul. As Moscow tells it, the acceptance by Constantinople of responsibility for Estonia's believers amounts to collusion with the Baltic republic's government - and its policy of discrimination against Russians. For the churchmen of Istanbul, embracing the Estonian parishes was a moral obligation, in response to the clearly expressed wishes of a majority of believers there. The see of Constantinople, now housed in modest wooden premises in a rundown quarter of Istanbul, has pronounced its opinion in a Greek so ancient and august that it would baffle the average Athenian on the trolley-bus. But the principal message is clear enough: the Patriarchate has "accepted, as a tender-hearted mother, the free and

unanimous request of its children and recognised the church of Estonia as autonomous". President Boris Yeltsin intervened yesterday with a stern letter to Estonia's President Lennart Meri which expressed his "deepest concern" over the situation. He said he was speaking both on behalf of his own subjects and his "compatriots" - in other words, Russian speakers - in Estonia. Mr Yeltsin took little apparent interest in church affairs

between his baptism (and near drowning) by a tipsy priest in a Siberian village 60 years ago and his emergence in 1991 as leader of a Russia where religion was returning to vogue. But in asserting the right to speak for Orthodox Christians outside his country, he was reviving an ancient tradition - dating at least to Catherine the Great, who challenged the Ottoman Empire by proclaiming herself the protectress of the Turks' Christian subjects. The latest rift became a formal one last month when the Russian Patriarch, who is from Tallinn, the Estonian capital, himself, knows the Estonian problem well and may be the only figure who can fashion a compromise. But as he fights Moscow's corner in the dispute, he is haunted by a formidable array of ghosts. The claim of Moscow to have supplanted Istanbul as the capital of eastern Christendom has echoed down the centuries, particularly since the Ottoman Turks in 1453. It was summed up by one of the most famous quotations in Russian history: the proclamation of the monk Filofey, in 1510 that "two Romes have fallen, but the third stands and no fourth can ever be". As every Russian schoolboy knows, the eastern Slave adopted Christianity from Byzantium - the second Rome - in 988 after their envoys had investigated several religions. Islam was rejected because it would mean abstinence from alcohol; in the words of Prince Vladimir, "drinking is the joy of Rus, we cannot live without it." Eastern Christianity was finally adopted, in acknowledgement of the breathtaking heauty of services in Byzantium's Hagia Sofia cathedral. But even if the parenthood of the Russian church is not in doubt, it has always been a strong-willed daughter.



Byzantine signature: Patriarch Bartholomew marks his pronouncements with this traditional flourish

Byzantine signature: Patriarch Bartholomew marks his pronouncements with this traditional flourish

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The Financial Times plans to publish a Survey on Slovenia on Thursday, March 14. The survey will discuss Slovenia's political stability and developments in that area; also its rapidly improving infrastructure. Other articles will include the economy, trade, banking and finance and industry. For more information on editorial content and advertising opportunities available in the survey, please contact: Mr Zeljko Paul Mandic Tel: +44 (0)181 339 8828 Fax: +44 (0)181 339 7196 Patricia Surridge Tel: +44 (0)171 873 3426 Fax: +44 (0)171 873 3204 or your usual FT representative FT Surveys

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# Colombia faces US sanctions over drugs

By Nancy Durne in Washington

The US yesterday removed Colombia from its list of countries making progress against illegal drug trafficking, thereby triggering economic sanctions from Washington.

Mexico remained on the list, in spite of being a possible candidate for removal, after agreeing to introduce legislation to combat money laundering and other financial crimes.

The controversial list, a provision in the Foreign Assistance Act, is released every March 1 as a tool in the US war on drugs. It is intended to stem the supply of narcotics to the US, but it is highly resented abroad, where governments complain that the US - the world's leading consumer of illegal drugs - should be concentrating its efforts on suppressing demand.

However, governments make great

efforts to avoid being "de-certified", so the process is still seen as a motivating force by many US officials, who credit it with having helped in the fight against Colombia's Cali cartel.

Colombia's failure to be "certified" means a loss of US aid - apart from anti-drug assistance - and all US Export-Import Bank financing, and automatic US opposition to loans from multilateral lending institutions such as the World Bank.

While Colombia receives little direct US aid, US opposition in the development banks may slow or stop new loans being approved. About \$500m of such loans are up for possible approval this year. US trade preferences worth an estimated \$100m a year, are possible but not mandatory.

Last year Colombia was placed in an intermediate category by the US, which meant economic sanctions

were waived on the grounds of vital national interests.

Mr Clinton also ruled that Afghanistan, Burma, Iran, Nigeria and Syria were not co-operating. All had received a similar finding last year.

Mr Robert Gelbard, the assistant secretary of state who runs the state department's counter-narcotics bureau, said that, in a change from last year, Mr Clinton certified Peru and Bolivia as fully co-operating with anti-drug efforts. The efforts of Lebanon, Paraguay and Pakistan were exempted from sanctions for national security reasons, Mr Gelbard said.

Mexico is currently getting special attention. In a report released yesterday by the state department, Mexico was identified as the principal transit route from South America for cocaine entering the US as well as an important source for heroin, methamphetamine

and marijuana. Last week Mexico sent a team to negotiate with the state department in a last-ditch effort to remain on the list.

"Drug traffickers used their vast wealth to corrupt police and judicial officials as well as project their influence into the political sector, as recent Mexican investigations have revealed," the report said.

However, Mexico made some gains. It stepped up its illegal crop eradication, and made significant arrests, including Raul Salinas, brother of former President Carlos Salinas, and 11 key members of the Gulf cartel.

The state department said Colombia remained the world's leading producer and distributor of cocaine and a big supplier of heroin and marijuana. It said the government of President Ernesto Samper, who has been charged with receiving more than \$8m in Cali cartel funds to finance his

campaign, lacked "commitment" in support of its law enforcement entities.

Sarita Kendall adds from Bogota: Colombian business leaders said the US government decision to decertify the country was a grave blow to its international standing, but that immediate measures, such as stopping US non-drug related aid and the US vote against Colombia in multilateral financing organisations, would have little effect on the relatively strong economy. However, the possibility of trade sanctions being applied at a later date was a much more serious threat.

Mr Rodrigo Lloreda, a former foreign minister, said decertification represented a moral sanction against Colombia and that the political crisis generated by drug funding of the presidential election campaign had influenced the US decision.

# S Carolina's machine offers chance to Dole

## Jurek Martin on Republican candidates' hopes where new industry meets evangelism

Eight years ago the South Carolina Republican primary was where Vice President George Bush finally slew the dragons who were pursuing him for the party's presidential nomination. Thanks to then Governor Carroll Campbell and the local born campaign strategist, the late Lee Atwater, he overcame Senator Bob Dole and the Rev Pat Robertson with some ease.

Just as much is at stake in today's primary. Mr Dole, now majority leader, needs to win, preferably well, to re-establish himself as the front-runner. Mr Pat Buchanan has to show he can expand on the Rev Robertson's 20 per cent religious base, Mr Lamar Alexander from Tennessee that southern credentials matter, and Mr Steve Forbes, with the least to lose here, that a Yankee millionaire can be respectable even without spending a small fortune.

Most local experts predict that order of finish. Dr Bob Taylor, business school dean at the evangelical Bob Jones University and the representative of Greenville County on the state Republican committee, gives the conservative commentator "an outside chance" of beating Mr Dole, whose support he thinks is "soft and slipping". But he cautions: "That would be a real upset."

Mr Blease Graham, political scientist at the University of South Carolina, is willing to talk numbers. "Anything over 35 per cent is a big plus for Dole," he says, "but anything less makes it hard for him to claim much of a victory, particularly if he finishes under 10 points clear of second."

His university colleague Bill Krenzl suspects it is Mr Buch



- Republican primaries: the early leaders**
- Number of delegates won to the party's nominating convention:
  - Steve Forbes 60
  - Pat Buchanan 37
  - Bob Dole 35
  - Lamar Alexander 10
- 37 delegates are at stake in today's vote in South Carolina
  - 241 are to be decided in votes and party caucus meetings in nine states on Tuesday and 102 in New York's vote on Thursday
  - State votes, caucuses and conventions continue until early June
  - Winning the nomination requires securing 996 delegate votes at the mid-August convention
- Source: APF, Reuters

# Israelis spurn Hamas offer to halt bombings

By Mark Dennis in Jerusalem

Israel yesterday rejected a truce offer by the Palestinian Islamic group Hamas, a day after it pledged to halt suicide bomb attacks if Israel met a series of conditions.

Mr Ehud Barak, Israeli foreign minister, said Israel would not negotiate with Hamas, reiterating government policy that the Palestinian Authority, of Mr Yasser Arafat must deal with the militant organisation.

"There is no room for negotiations with terror cells inside the area of the Palestinian Authority because we then exempt the Palestinian Authority from its main responsibility," Mr Barak told Israel Radio yesterday.

Hamas said that if the offer, which demanded a halt of Israeli "aggression" against Palestinians and the release of Hamas prisoners, was not accepted by March 8, attacks on civilians would continue. It called Mr Barak's rejection "foolish" and said the offer still stood.

Hamas's secretive military wing, the Izzadin al-Qassam, claimed responsibility for two suicide bombings last Sunday which killed 25 people. The attacks, have shaken popular support for the government of the prime minister, Mr Shimon Peres, at the outset of a three-month campaign leading to the May 29 general election.

Opinion poll results released yesterday showed that a resurgent Mr Benjamin Netanyahu, the opposition Likud leader, would run almost level with Mr Peres if he were to conclude a deal with a prominent rival who split from the Likud party last year to form his own party.

In the aftermath of November's assassination of Mr Yitzhak Rabin, Mr Netanyahu had trailed Mr Peres by up to 17 points.

Mr Netanyahu - who is on the verge of creating a formidable rightwing block with the Geshner party of Mr David Levy, the Likud dissenter, and the ultra-nationalist Tsomet party - promises to curtail the peace process if elected.

Hamas's military wing has made other truce offers in the past, which have also been rejected by Israel. But Thursday's offer was also signed by the political wing, an unprecedented link, according to observers.

Hamas said it would suspend attacks against Israeli civilians if Israel "halts its organised terror against Hamas and its Izzadin al-Qassam units and if Israel ends its aggression against Palestinian civilians on conquered lands and releases all Hamas prisoners."

The Palestinian Authority, which arrested more than 200 Hamas activists after Sunday's attacks, welcomed the offer.



Ryutaro Hashimoto of Japan, Germany's Helmut Kohl and China's Li Peog join hands at yesterday's summit opening

# EU-Asia summit meeting gets under way in Bangkok

# Korean OECD bid given boost

By Peter Montagnon in Bangkok

Europe and South Korea signed a political and economic co-operation agreement on the margins of the EU-Asia summit in Bangkok that should assist Korea's application to join the Organisation for Economic Co-operation and Development.

The agreement commits Korea to open its markets in areas such as financial services, long an objective of its industrial country partners. It also calls for fair competition in shipbuilding, another sector of interest to the OECD.

European officials say the agreement is more substantive than those the EU has with other countries. The EU had leverage in its negotiations,

they add, because of Korea's OECD application.

To join the OECD, Korea will still have to do more to liberalise its capital flows and foreign investment rules, particularly in telecommunications, where foreign ownership is limited to 33 per cent.

In bilateral meetings in Thailand, the European Commission has also been pressing South Korea "very hard" for a bigger commitment to telecommunications liberalisation in the World Trade Organisation discussions.

But "we are moving forward," said one European official. Despite widespread fears of a delay, there is a chance Korea's OECD application may be successfully concluded on schedule this year.

Under the EU-Korea agree-

ment both sides are committed to abstain from discrimination in improving access to their domestic markets. This will prevent Europe from being cut out of bilateral agreements with third parties, such as Korea's deal with the US on patent protection in the late 1980s, which gave benefits to the US that were initially denied to Europe.

The deal should also help ease tension on shipbuilding, where Korea's insistence on increasing its capacity has created what the Commission calls "severe structural disequilibrium."

The agreement binds the two sides not to support their own shipbuilding industries in a way which would distort competition, or bail them out in the event of future difficulties.

South Korea has also promised to phase out by 1998 its rules requiring Korean ships to carry certain bulk cargoes. It also promises to enforce measures effectively to protect intellectual, industrial and commercial property rights.

Portugal has neatly sidestepped an embarrassing row with Indonesia by making a new bid at the Asia/Europe summit to break the impasse over the disputed territory of East Timor.

The Portuguese prime minister, Mr Antonio Guterres, proposed the two countries, which have no diplomatic ties, exchange diplomats to be located in "friendly embassies" if Indonesia makes a goodwill gesture by freeing East Timorese resistance leader Xanana Gusmao and other dissidents.

# Cuba embargoes spark protests

By Bernard Simon in Toronto, Daniel Donohy in Mexico City and David White in Madrid

Canada has objected strongly to proposed US legislation aimed at penalising foreign companies doing business with Cuba. Mr Arthur Eggleton, Canada's trade minister, is expected to raise Ottawa's concerns at meetings tomorrow and on Monday with Mr Mickey Kantor, the US trade representative. The Canadian ambassador in Washington has written to several members of Congress seeking support.

The Canadian protests reflect concern among several other countries, including Mexico and Spain, that the US

legislation, known as the Helms-Burton bill after its congressional sponsors, would improperly interfere with their trade and investment interests in Cuba. Ottawa also claims that parts of the bill violate the North American free trade agreement (NAFTA) between the US, Canada and Mexico.

The bill, which is expected to be passed by Congress and signed by President Bill Clinton next week, would tighten US sanctions against Havana in retaliation for the recent downing of two US light aircraft off the Cuban coast. The bill is also designed to make it more difficult for foreign companies doing business in Cuba to operate in the US.

Another provision would bar executives of companies doing business in Cuba from entering the US. Canada says that this would violate NAFTA's guarantee of free movement between the US, Canada and Mexico.

Canada's commercial links with Cuba have grown markedly in recent years. Two-way trade totalled \$355m (\$42m) last year. Canadian companies are among the most prominent foreign investors, with interests ranging from mining and hotels to a pizza chain.

"It's one thing for the US to take action against Cuba," one official said. "It's another for them to take action against Canadian companies."

In Mexico, Mr Miguel Angel

González Félix, a legal affairs adviser to the foreign ministry, said this week that, if passed, the Helms-Burton bill would become a "source of tensions" because of what he said were US attempts to legislate outside its territory.

Mexico has annual exports of about \$350m to Cuba, and is also one of the chief investors in the country. Cuba was Mexico's fourth biggest export market in 1995.

In Spain, investors adopted a wait-and-see attitude towards the US legislation moves. The Sol hotel group, one of several Spanish concerns active in the tourism sector, said it would carry on with its projects for the time being.

# US index hints at lifting gloom

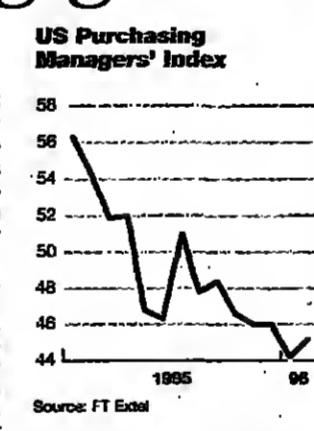
By Michael Frowse in Washington

The outlook for US manufacturing industry remains troubled but not quite as grim as in January, figures indicated yesterday. The purchasing managers' index rose to 45.2 per cent in February from 44.2 per cent in January, a less decisive rebound than predicted by many economists.

A reading below 50 per cent is generally taken to indicate contraction in manufacturing industry. A reading below 44.5 per cent - as occurred in January - indicates contraction of the whole economy. This year, however, the January figure may have been depressed by severe winter storms on the east coast.

The index has been below 50 per cent for the past seven months, reflecting the efforts of US companies to bring excessive levels of inventories into line with slower growth of demand. This has involved cuts in production and employment in manufacturing.

Purchasing managers said the most encouraging aspect of the report was an increase in an index measuring new orders to 44.7 per cent from 41.6 per



# China tightens commodity trading

By Tony Walker in Beijing

China has narrowed futures trading by state enterprises, to commodities relevant to their own production, in tough new regulations aimed at curbing speculation on the country's hedging exchanges.

At the same time all financial institutions, including banks and co-operatives, are to be banned from commodities futures trading. They are obliged to unwind their trading positions within 40 trading days from March 4.

The regulations, issued by the State

Council, or cabinet, are the latest in a series of measures aimed at bringing order to China's chaotic commodities markets. The authorities had previously banned trading in some 19 commodities in an effort to curb speculation.

"State-owned enterprises will only be allowed to get involved in futures hedging activities relevant to their production," said the State Council notice. "They are forbidden from getting involved in either speculation or market manipulation."

Financial institutions were also banned from membership of futures brokerages

and prohibited from offering letters of guarantee or providing loans for futures trading.

China has witnessed spectacular surges in futures prices for various commodities in the past year or so as speculators have targeted particular items, including plywood and red beans. The State Council notice indicated that China wished to support legitimate hedging activities by state companies, and said it would soon relax restrictions on futures trading on "some staples products in its leading futures exchanges."

# No-hope candidate in Australian poll sets his sights high

There are few certainties surrounding today's Australian election. But the political heavens will have to fall in before Mr Khiet The Nguyen, the first Vietnamese immigrant to contest a seat in Australia's federal parliament, makes his way to Canberra.

Mr Nguyen, a refugee, is unfazed. "I have no hope," he says, as he weighs up the competition in the west Melbourne seat of Gellibrand. "But I will prove that I am serious and one day, later, perhaps I can win. I don't care if it takes 100 more decades, I will still have my say."

Mr Nguyen is a rarity in the current election campaign. For

Campaigning in Australia's federal election ended on an ambiguous note yesterday, with most of the polls pointing to a victory for the conservative Liberal-National coalition, but with enough doubt left for both Mr Paul Keating, prime minister, and Mr John Howard, coalition leader, to claim an edge, writes Nikki Tait.

One poll published in the Brisbane Courier all the talk of multiculturalism in Australia and the country's close attention to the Asian region, there are no "new immigrant" faces on the parliamentary benches in Canberra. Moreover, neither of the main parties contending for government - Labor and the conservative Liberal-National coalition - has fielded Asian-born candidates.

This is not too surprising. Even in Sydney, the biggest magnet for Asian immigrants, only about 8.5 per cent of the population is "Asian-born". It has taken three or four decades, for the earlier wave of European immigrants - Italian and

Greek - to win significant representation in the federal parliament, although this now stretches up to ministerial level.

Mr Nguyen, though, believes he is a forerunner of more Asian involvement in Australian politics. "In the Asian community, a lot of people are

only about making money," he admits.

"But some people think if you join in the political system you can change society." He expects Melbourne's Vietnamese community to field at least one candidate in the impending Victorian state election, for example.

Mr Nguyen's choice of party has been the Australian Democrats. This is the most significant of the minor parties, with a strong social and environmental agenda. Having been jailed several times in Vietnam, he says it was the Democrats' stance on human rights which attracted him two years ago.

"I'm from a communist country. I've seen how much people suffer. But the Democrats stand up for human rights."

That said, the would-be MP also admits that the issues confronting the Gellibrand electorate - which takes in the big Vietnamese community in Footscray - are more mundane. Unemployment is painfully high, while small-business owners complain about the twin burdens of tax and bureaucracy.

Drug abuse is a growing problem.

The surprise is that these harsh realities lead Mr Nguyen to advocate a reduction in Aus-

tralia's immigration levels - a line sometimes criticised in his own community.

"I know some politicians who make all sorts of promises [for easier entry], and sometimes they say I am a racist. But if you bring people here, they will have no job. And then everyone has to pay [for social security benefits] through higher taxes," he argues.

The chances of Mr Nguyen putting such views into practice are nil. Gellibrand, solidly working-class, is one of the safest Labor seats. Its incumbent member is Mr Ralph Willis, Australia's federal treasurer, whose victory margin three

years ago was a massive 25.6 percentage points.

But if Mr Nguyen will not be swapping his job as a motor mechanic for life in Canberra, political involvement has brought some immediate benefits.

Until the campaign started, neither he nor his family had any contact with their Australian neighbours. His suspects they thought he could not speak English.

But a mention in the local newspaper and a few TV appearances broke down the barriers. They are now big supporters, he says.

Nikki Tait

NEWS: UK

Fujitsu delays \$1.25bn semiconductor growth

By Alan Cane in London and Chris Tighe in Newcastle upon Tyne

Fujitsu, the Japanese electronics company, is delaying by at least six months a planned \$1.25bn (£1.35bn) expansion at its semiconductor plant at Newton Aycliffe in north-east England.

The company said it had taken a strategic decision to leapfrog current technologies and move directly to the most advanced memory chips, 64mbit SD-Rams. "This move will propel the plant to the forefront of volume memory device production," it said.

Prices have fallen steeply because of uncertainty over demand for personal computers. Other manufacturers have closed chip production units or plan to do so.

The company has already invested \$400m at the Newton Aycliffe site. The expansion announced last year was expected to make the site the UK's biggest single inward investment in recent years.

The investment decision confirmed north-east England, which Siemens also chose in 1995 for a £1.13bn microchip investment, as an emerging European location for semiconductor manufacture.

Nuclear company to face heavy cost before privatisation

By David Lascelles, Resources Editor

British Energy, the company created for the privatisation of the nuclear power industry, will have to pay £1bn (£1.53m) to reprocess spent fuel inherited from past operations.

This marks a setback for the company, which is also locked in negotiations with the government over the amount of debt it should be made to carry on its balance sheet.

British Energy had been saying that it was unfair to burden it with the cost of spent fuel from the past. Normally, this fuel would already have been reprocessed and the cost paid by its predecessors.

which British Energy is expected to be launched into the private sector. The remaining liabilities cover the cost of reprocessing future spent fuel from the eight stations, and decommissioning those when they are shut down in the first part of the next century.

The other main issue between British Energy and the government - the level of debt on its balance sheet - is still far from resolution. British Energy wants to keep its debt to a minimum, but the government, embarrassed by the easy profits made by past electricity privatisations, wants to gear up its balance sheet.

Mr Robert Hawley, the chief executive of British Energy, will unveil details of British Energy's track record on Monday. This will show, on a pro forma basis, how British Energy would have performed if it had been a private company for the past five years.

Breakthrough on applying decals helps pottery maker to win order

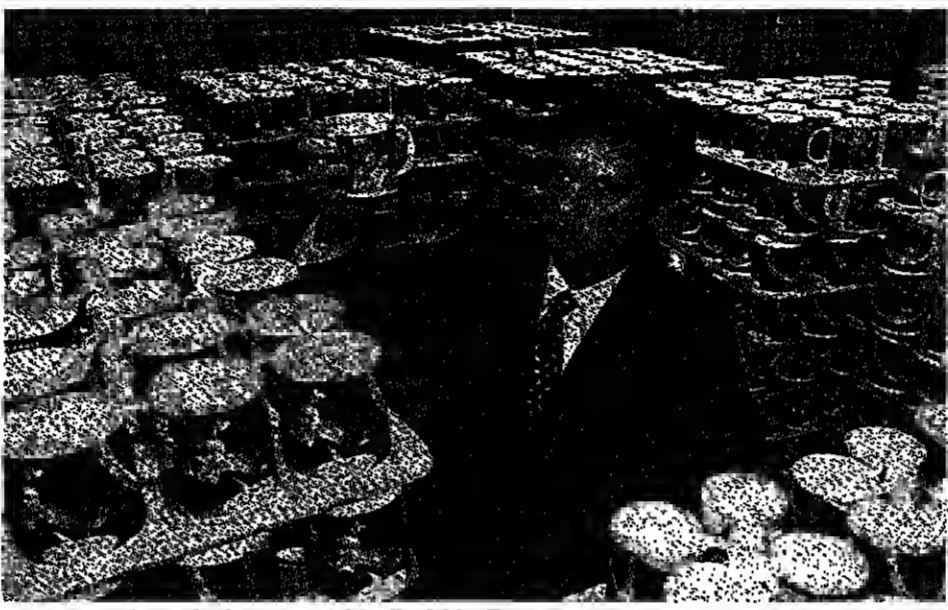
By Peter Marsh in London

Walt Disney has handed a lucrative contract for making promotional mugs to one of Britain's biggest pottery makers in a deal involving a switch of production from the Far East.

The contract is with Staffordshire Tableware of Stoke-on-Trent in the English Midlands. It is based around an innovative processing technology which is helping an important part of Britain's \$750m-a-year tableware industry move upmarket into higher-value designs.

The process, which speeds up the printing of complex patterns on to mugs, is being commercialised by Service (Engineers), also of Stoke, a leading maker of pottery machinery.

Under the Disney deal, Staffordshire is the single European supplier of specific designs of mugs featuring Disney characters from films such as 101 Dalmatians, True Story and Pocahontas.



Gordon Wareham, chief executive of Staffordshire Tableware, examines decals

The US entertainment giant is now buying about 750,000 mugs a year from Staffordshire, whose total mug output of about 40m a year makes it one of Europe's biggest makers of such items. Until the UK deal last year, Disney was buying similar quantities of mugs for sale in Europe from Japan, China and Thailand.

One of the keys to the supply switch is Staffordshire's pioneering use of a new method of putting onto mugs the decals used to make complicated patterns. Without this automated technique, the decals have to be applied by hand at the rate of

about 45 an hour. Relatively high UK labour costs mean UK pottery companies frequently have been unable to compete on production of such mugs against rivals in the Far East. But with the Service machines, which each cost about £50,000 (£76,500), one fairly unskilled person can apply about 600 decals an hour, a 15-fold increase in productivity.

UK NEWS DIGEST

Toll protesters invoke ancient law

The Act of Union between England and Scotland was invoked in court yesterday by an advocate who argued that tolls on the bridge to the island of Skye were illegal under the 18th century legislation. Mr Neil Murray, defending 73 people accused of not paying their toll on the privately financed bridge, said the charges violated two clauses of the 1707 Treaty of Union and were thus invalid.

Russia expels businessman

Mr Nigel Shakespeare, a Moscow-based businessman, has achieved the rare distinction of being expelled from Russia for a second time because of "activities incompatible with his status" - a phrase normally regarded as diplomatic shorthand for alleged spying. The British Embassy has asked the Russian authorities to explain why Mr Shakespeare was yesterday stripped of his visa at Moscow airport and put on a flight to England after returning from a business trip from Almaty, capital of Kazakhstan.

Engine maker rethinks closure

Cummins, the US diesel engine manufacturer, has given in to strong pressure from the British government and agreed to a partial reprieve for its plant at Shotts in Scotland. The plant had been due to close by the end of the year as part of a worldwide rationalisation, with the loss of 700 jobs. Some 180 jobs will be preserved at the plant, declining to 60 over the next two years. But 500 people will still lose their jobs by midsummer.

Museum to get millennium cash

The British Museum in London is to get up to £30m (£45.9m) from the Millennium Commission to renovate and provide a glass roof for the Great Court at the heart of the building. The inner court was part of the original museum building and the provision of funds from the National Lottery will enable the area to be opened up to the public for the first time in 150 years. Ms Jennifer Page, chief executive of the Millennium Commission, said the glass roof by architect Sir Norman Foster would create an indoor piazza "where people would be able to enjoy themselves close to one of the world's greatest cultural treasures".

Royal jeweller in Ferrari racing deal

By John Griffiths in London

Apsey, the 200-year-old jeweller to Britain's royal family, is accelerating towards expansion in north America and the Asia-Pacific region aboard Formula 1 world champion Michael Schumacher's Ferrari.

of the former owning family, said Apsey expected to have access to Ferrari's base of highly exclusive customers, who buy around 3,000 of the Italian sports cars every year at prices ranging from £90,000 (£137,700) to £320,000.

A sponsorship deal under which Ferrari's grand prix cars will compete in this year's world championship with Apsey's logo on their bodywork forms a principal part of the new strategy to internationalise the company.

One immediate objective is to craft exhaustively-detailed models of the grand prix cars themselves. Mr Ian Dahl, chief executive, hinted delicately that the prices might not match the cost of a grand prix car but could give a roadgoing Ferrari a run for its money.

Wales wins \$350m high-tech plant

By Roland Adburgham in Newport

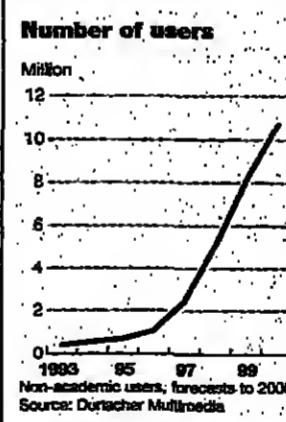
A \$230m (\$350m) semiconductor plant is to be opened in south Wales by QPL International Holdings, the Hong Kong-based electronics group. The facility, for its Welsh subsidiary Newport Wafer-Fab, is expected to create 768 jobs over the next five years.

Mr Tony Blair, leader of the opposition Labour party, told business people in Cardiff yesterday of his commitment to a "modern partnership" between industry and government.

Small airline attacks BA

British Mediterranean Airways, a small independent carrier, has complained to the European Commission that British Airways has provided misleading information about flights on which the two airlines compete.

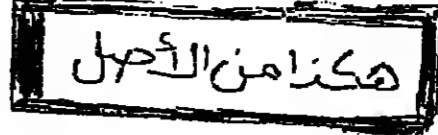
Students dominate Internet



Students and academics with free access to the Internet courtesy of their institutions represent almost 70 per cent of the UK's Internet surfers, but they are set to decline as a proportion of the total. The number of non-academic users will grow exponentially as personal computers become common in the home and small office, and the Internet becomes available over cable and wireless networks.

Weekend Business section containing various advertisements for services like J.R. & A. Smith Limited, Channel Islands, Barker & Co Solicitors, Home & Office Software, South Coast Specialist Woodwork Manufacturer, For Sale, Business Wanted, Label/Nameplate Printing, and various software and business opportunities.

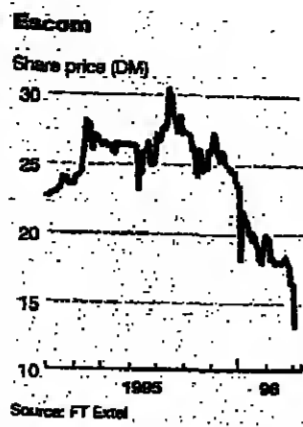
Vertical text on the right edge of the page, including 'From blame', 'DVI 125m', 'Bowden', 'agreed', 'trencherwood', 'Mansfield le', 'after six-mo', and 'Crow off'.



# Escom blames market for DM125m deficit

By Wolfgang Münchau in Frankfurt and Paul Taylor in London

Escom, the German computer maker and retailer, yesterday blamed falling personal computer sales, stock writedowns and price cuts for much higher than expected losses of about DM125m (\$85m) last year. The troubled company, which is still majority-owned by its founder Mr Manfred Schmitt, also announced that shareholders and creditors had agreed to keep the company afloat with DM100m in new finance. Of this, DM60m would go into new capital and the rest in the form of extended credit lines. Shares in Escom, which were suspended on Wednesday before yesterday's announcement, reopened yesterday down more than 25 per cent at DM11.05. Escom blamed its poor performance on lower sales in Germany, price cuts, and the expansion costs, including the acquisition of more than 200 Rumbelows stores in Britain last year. "The lack of Christmas business, especially in the German market, had resulted in too-large stock levels," said



Escom, and the need for "significant writedowns because of the drastic price falls for computer components". Escom said its decision to build up its business lines of Commodore and Amiga products - cheap computers designed for home use - had also led to additional costs. Escom's 1995 loss is almost three times the shortfall forecast by the company at the end of December, and the accompanying statement contrasted sharply with the optimism displayed only six months ago when it said it was profitable. Yesterday the company

declined to divulge further financial details although it had already revealed that turnover last year was DM2.35bn, well short of a previous forecast of DM3.1bn. The company's disappointing performance highlights the difficulties faced by low-tier brand manufacturers and retailers in the increasingly saturated German market. Germany remains Europe's biggest PC market, with 1.04m machines sold in the final quarter last year, according to Dataquest, the market research firm. But in contrast with most European markets which posted growth rates above 30 per cent in the 1995 final quarter, PC sales in Germany grew by only 7 per cent. Dataquest figures show that Escom's market share in terms of units sold in the fourth quarter fell from 4 per cent in the 1994 period to 3.2 per cent last year, and it ranked as Europe's 10th largest PC seller, down from sixth a year earlier. Among other German-based manufacturers Vohls, which sells under the Highscreen brand, saw its market share drop to 3.7 per cent while Siemens Nixdorf overtook Vohls with 4.5 per cent.

# Newcrest makes move on Normandy Mining

By Nikki Tait in Sydney

Normandy Mining, the Australian mining group headed by Mr Robert Champion de Crespigny, became a candidate for takeover yesterday when Minorco, the Luxembourg-quoted offshore operating arm of the Anglo American Corporation of South Africa group, sold its 18.9 per cent stake. Minorco also sold a smaller 3.7 per cent interest in PosGold, the goldmining arm of Normandy, in which the parent company holds a 51 per cent interest. The two sales raised about A\$330m (US\$222m). But within hours, it emerged that Newcrest Mining, the Australian goldminer, had picked up much of the former Minorco interests. Last night, Newcrest confirmed it held 14.9 per cent of Normandy and 10.5 per cent of PosGold. It said it had spent about A\$425m in the two sales as "strategic" investments. "Newcrest is seeking early talks with the board and directors of Normandy Mining," it said. The raid on Normandy comes as Mr de Crespigny attempts to consolidate his stable of mining companies into one principal listed company. Last year, Normandy announced plans for a four-way share-swap merger, aimed at bringing its interests, PosGold's, plus those of two listed PosGold units - Gold Mines of Kalgoorlie and North Flinders Mines - under one roof. Normandy, which says the new structure would be simpler for investors to understand and should generally enhance the group's value, is due to seek shareholder approvals for the transaction this month. Yesterday, Normandy said Newcrest had not advised it of its intentions but that "obviously" directors of Normandy and PosGold will do everything possible to ensure equal treatment of shareholders and that

control of either Normandy or PosGold will not change unless all shareholders in each company are treated fairly". It added that the benefits of the A\$3bn merger had "if anything, been reinforced by this development", after the sharp increase in the Normandy and PosGold share prices. Normandy shares leapt 25 cents after the Minorco sale, to close at A\$2.65, while PosGold closed 28 cents higher at A\$3.75. GMK gained 12 cents to A\$1.64, while North Flinders was 69 cents up at A\$3.99. The raid by Newcrest, formed six years ago when BHP and Newmont Mining merged their Australian goldmining operations, is the latest in a spate of deals and takeovers in the Australian mining sector. Two rival bidders are jostling for control of Gasgoyne Gold Mines while Acacia Resources this week announced a hostile A\$87m offer for Solomon Pacific Resources.

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Julian Ogilvie Thompson, chairman of Minorco, which sold stake

# Mercedes picks Stuttgart for engine plant

By Wolfgang Münchau

Mercedes-Benz, the luxury car and truck maker, is to invest DM1bn (\$680m) in a plant in Stuttgart to build a new generation of engines for its mid-sized cars. Yesterday's announcement comes at a time of intense debate about Germany's ability to attract new investment. It is a significant boost to the south-west of the country, which has been under increasing pressure to retain its formidable industrial base. The announcement caught senior managers in the company by surprise. They had not planned to make an official statement for several months but the news came out by accident, when a Mercedes manager spoke at a local town council meeting in a discussion about infrastructure planning. Mercedes said the Stuttgart location won against competition from other sites, but

Fokker, the beleaguered Dutch aircraft maker, was a two-week stay of execution from bankruptcy yesterday after the government extended crucial bridging credits for another 14 days, writes Ronald van de Krol in Amsterdam. The extension of the F1255m (\$155m) credit facility, which had been widely expected, will make it possible for Fokker to pursue negotiations with Samsung of South Korea or to attempt a solo relaunch in slimmed-down form with the help of Dutch financiers. The credits, originally granted for a five-week period in late January, were due to expire on Monday. Fokker has used about F1200m in

credits, meaning the government may not have to honour a previous pledge to put up another F120m to F130m. Samsung is considered the only serious contender for Fokker, but it is far from clear whether the South Korean industrial group will put forward a proposal for taking over the Dutch company's aeroplane assembly lines - even with the 14-day credit extension. Fokker, a heavily loss-making producer of regional aircraft, was plunged into crisis in January by a decision from its controlling shareholder, Daimler-Benz of Germany, to end further financial aid. The company had already decided to site the production of its new V6 and V8 engines in Stuttgart, and to use a separate factory to produce engines for a new series of compact cars.

Mr Helmut Werner, chairman, said: "Within a few months we have decided for the third time in favour of Stuttgart and in favour of production in Germany. It is perfectly possible for us to manufacture here at a profit. However a condition is [that] we can negotiate without dogma and without constraints about shifts, working time and pay." Mercedes said the capacity of its new engine plant would eventually reach 2,800 units a day. The company will produce four-cylinder petrol engines as well as four, five and six-cylinder diesel engines. The factory is scheduled to be completed in late 1997, and will employ about 1,700 staff.

# Wilson Bowden makes agreed bid for Trencherwood

By Andrew Taylor, Construction Correspondent

Wilson Bowden yesterday furthered the consolidation of the housing market with an agreed £10.4m takeover of Trencherwood, the struggling housebuilder. The total cost of the deal will rise to more than £33m including some £23m of net debt at Trencherwood at the end of October, when the Berkshire-based group showed net assets of £5.3m. Trencherwood owns 771 housing plots with planning permission, but Wilson Bowden will also gain access to some 5,200 plots controlled under options in one of the most sought after housing regions in the country. There is also more than £20m of tax losses at Trencherwood, of which Wilson Bowden will take advantage. It said its all-cash offer would be earnings enhancing in the first year. The company has received acceptances representing 51 per cent of Trencherwood shares, including the more than 40 per cent held by the group's bankers. Wilson Bowden is offering 8.5p for each ordinary share, and the same amount for each AF convertible preference share. Holders of AR convertible preference shares will be offered 0.85p a share. It is the latest in a series of purchases and asset swaps by UK housebuilders. These include Persimmon's acquisition last month of Trafalgar House's Ideal Homes offshoot

for £180m and the sale in December by BICC of Balfour Beatty Homes for £81m to Westbury. George Wimpey, in the biggest deal of all, is swapping its construction and quarries businesses to acquire Farmac's UK housebuilding division. In the year to October 31 Trencherwood achieved pre-tax profits of £1.2m (£2.1m). Mr David Dugdale, chairman, said the company, in spite of its refinancing in February 1993, continued to be hindered by high borrowings while trading conditions remained difficult. Wilson Bowden, regarded as one of the most successful companies in the sector, has warned that profits for the second half of last year would be down because of the downturn in the market. Pre-tax profits in the first half rose by just 3 per cent to £17m (£16.5m).

# Granada creates hotels division

By David Blackwell

Granada, the television and leisure group, has set up a division to manage the hotels acquired in its £2.9bn takeover of Forte earlier this year. Meanwhile late last night, Granada was continuing talks with Regal Hotel Group, which is hoping to buy most of the White Hart chain for £122m cash. The talks were understood to be finely poised. Granada has the right to rescind the contract struck between Regal and Forte in January. The right to rescind has already been extended twice, with the latest deadline set for last night. The Forte restaurant businesses - including Little Chef, Happy Easter, Travelodge, Welcome Break and Cote France - is being absorbed into Granada's leisure and services division. The division, which includes the Granada and Pavilion motorway service areas, will have annual sales of £1bn. Granada said the changes were designed "to bring about the rapid integration of the Forte businesses and will enable us to benefit from the synergies already identified in roadside and popular catering." The hotels division, to be headed by Mr Patrick Copeland, will be grouped into international and UK businesses. The international business will comprise Exclusive and Meridien - the chains which Granada has repeatedly said it will sell.

# Rod Mansfield leaves Lotus Cars after six-month tenure

By John Griffiths

The departure, announced yesterday, of Mr Rod Mansfield as managing director of Lotus Cars after only six months was "wholly amicable", the Norfolk-based company claimed. However, Mr Mansfield, 61, the former chief of Ford's special vehicle operations who came out of retirement to take the post at Italian-owned Lotus, had earlier this week denied company statements that he was "on holiday". Yesterday Lotus said that Mr Mansfield, who was unavailable for comment, was "working out the notice of his consultancy and will ensure an orderly handover".

Lotus is owned by Bugatti International, a Luxembourg-registered company controlled by Mr Romano Artioli. Its Italian sister company, Bugatti Automobili, was declared bankrupt late last year and Lotus's future has since been the subject of persistent speculation. Lotus, which employs about 1,000 people at its Hethel headquarters, yesterday forecast turnover 22 per cent ahead at £65m for 1995, with retained profits of £5.8m against £3.4m. It said that in line with its intention to become "global leader" in vehicle engineering and performance car manufacturing, it was adding to its

engineering facilities and installing additional research equipment. The car manufacturing division was in a "strong" position, it said, with the new Lotus Elise small sports car - to be launched shortly - already having 1,000 orders. A new V8 engine is being launched at next week's Geneva motor show and the company is returning to international motor sport. Mr Mansfield's role as managing director is to disappear. Two current directors, Mr Hugh Kemp and Mr Andrew Walsley, are to take control of the engineering and car manufacturing businesses respectively.

# ICI sells Grow offshoot

By Daniel Green

Imperial Chemical Industries is selling the household and consumer products business of its recently acquired Grow Group to US-based Sherwin-Williams for between £35m and £39m. ICI bought Grow, the US paint maker, in May 1995 after it outbid Sherwin-Williams with a \$360m (£230m) offer. ICI said at the time it would be looking at possible disposals.

The businesses to be sold have annual sales of about \$60m, mainly of speciality aerosol, household and professional cleaning products. This is likely to be the only significant disposal from the Grow businesses. The remaining activities concentrate on paint, a core business of ICI. Both ICI and Sherwin-Williams have been battling to increase sales in the US paint market, which accounts for a third of world sales. ICI followed up its capture of Grow with the \$30m acquisition in July 1995 of Fuller-O'Brien Paints, taking its share of the US paints market to about 15 per cent. ICI established itself in the market in 1986 with the acquisition of Cleveland-based Glidden paints for \$550m. In 1994, it introduced its Dulux brand into the US and increased its presence with the acquisition of California's Decatur Paints.

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### INTERNATIONAL EXHIBITION CALENDAR FROM JANUARY TO JULY 1996

| Month     | Event                                       | Date   |
|-----------|---|--------|
| January   | CHIBI '96                                   | 19-22  |
|           | CART '96                                    | 19-22  |
|           | 34 <sup>th</sup> SALONE DEL GIOCCATTOLO '96 | 24-28  |
|           | MIAS INVERNALE '96                          | 28-30  |
|           | 69 <sup>th</sup> MIPEL                      | 14-17  |
| February  | MACEF PRIMAVERA '96                         | 9-12   |
|           | MIFLOR '96                                  | 23-25  |
|           | BIT '96                                     | 28 Feb |
| March     | MODA IN                                     | 4-6    |
|           | FLUIDTRANS COMPOMAC                         | 13-16  |
| April     | EXPO DETERGO '96                            | 14-18  |
|           | MIDO '96                                    | 3-6    |
| May       | EUROLUCE                                    | 18-22  |
|           | DEL'ANTIQUARIATO                            | 4-12   |
| June      | ESMA  | 4-6    |
|           | CONVERFLEX                                  | 7-11   |
| July      | MIAS ESTIVO '96                             | 1-2    |
|           | GRAFTALLIA                                  | 7-11   |
| August    | INTERBIMALL                                 | 22-27  |
|           | SASMIL                                      | 22-27  |
| September | CONVERFLEX                                  | 7-11   |
|           | GRAFTALLIA                                  | 7-11   |
| October   | CONVERFLEX                                  | 7-11   |
|           | GRAFTALLIA                                  | 7-11   |
| November  | CONVERFLEX                                  | 7-11   |
|           | GRAFTALLIA                                  | 7-11   |
| December  | CONVERFLEX                                  | 7-11   |
|           | GRAFTALLIA                                  | 7-11   |

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COMPANY NEWS: UK

# Henlys poised to seek reclassification

**By Motoko Rich**  
Henlys Group, the motor, bus and coach group, is considering the reclassification of its listing on the Stock Exchange and in the FT-SE Actuarial indices.  
Currently listed as a distributor, it is seeking advice on a possible transfer to the engineering, vehicles category.  
Mr Robert Wood, chief executive, said: "In the second half of last year, following acquisitions, 67 per cent of our profits came from bus and coach manufacturing rather than distribution."

Pre-tax profits for 1995 rose 57 per cent, from £16.1m to £25.3m, on sales up 16 per cent at £451.6m. Strong growth in the bus and coach division offset weak new car sales.  
Acquisitions contributed £7.7m to operating profits in Henlys's bus and coach division. Continuing businesses raised profits 69 per cent to £14.4m.  
Operating margins in the division expanded from 10.7 per cent to 12.9 per cent. Production at the group's Planton factory in Scarborough rose by 30 per cent.  
Profits in the motor division

edged up to £7.54m (£6.96m), attributable to the group's acquisition of MCS Group, which operates 10 dealerships in south-east England.  
New car sales started buoyantly, but tailed off. The difficult market was exacerbated by an over-supply of cars.  
"There were a lot of vehicles being pushed into the market and there were not enough buyers around. We had to force prices down," said Mr Wood, echoing similar reports from Covite, the motor and bus finance and distribution group which reported weak new car sales earlier in the week.

The division made 100 of its 1,500 employees redundant in an effort to cut costs.  
Earnings per share rose to 34.1p (33.9p). A final dividend of 8p (6p) is recommended, giving a total of 12p.  
The shares rose 16p to 599p.

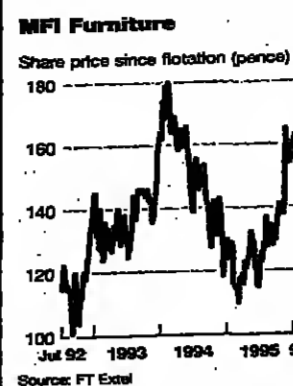
and there is more to come. In the motor business, the group has taken steps to cut costs and limit its exposure to the volume-driven market. Still, if the division continues to deliver flat results, the group may reconsider its investment.  
For the moment, its next challenge is to repeat its bus and coach performance outside the UK. On 1996 pre-tax profit forecasts of £33m, the shares are trading on a forward P/E of about 14, broadly level with the market. Whether or not the group switches sector, its shares may have a little more room for improvement.

# Memory shares fall on chip fears

**By Christopher Price**  
Shares in Memory Corporation fell 32 pence to 168p yesterday, making a cumulative decline of 55 per cent in the past four days, as the semiconductor group reported its first set of results amid concerns over declining microchip prices.  
The sharp price fall forced the company to bring forward its results by a month. The shares, which were placed at 420p when the company joined the Alternative Investment Market in September, closed 107p down yesterday at 225p.  
Pre-tax losses nearly doubled in the year to December 31, from £1.05m to £1.95m. The increase included a write-down on stock of £267,000 due to the decline in chip prices. However, the group, which was incorporated three years ago, recorded its first sales, turnover reaching £450,000, all made in the last quarter.  
Mr Cameron McColl, chief executive, said the sharp fall in world chip prices had pushed back the time when the company would make profits. However, he expected to move into the black in the near future.  
"We have moved from being a research and development company into a manufacturing company. We now have the opportunity to capitalise on the technology we have created by delivering volume products into the market place."

NEWS DIGEST

# Post-Christmas strength at MFI



Shares in MFI Furniture edged up 6p to 168p yesterday as the furniture retailer and manufacturer revealed signs of strong post-Christmas trading and promised benefits from softer raw material prices in 1996-97.  
The company said sales had been some 5.5 per cent higher in the second half, due to particularly strong trading in the last 10 weeks.  
Mr John Randall, managing director, said sales in the UK had, in general, been relatively dull before Christmas. However, during the winter sale - the company's most important trading period - it had shown a substantial improvement on the previous year. This resulted in an overall 2 per cent rise in UK sales in the second half, against a 1 per cent increase in average retail trading space.  
Mr Randall also said raw material prices, which have increased by as much as 40 per cent in the last 18 months for products such as paper, were beginning to weaken. Contracts for raw materials were being signed at prices about 5 per cent lower. This, combined with a greater proportion of product being manufactured in-house, would benefit gross margins in 1996-97.  
In France, MFI suffered from poor trading before Christmas, although it picked up substantially in January and February. Mr Randall said that, following the success of the winter sale, MFI planned to roll out its modernised Homeworks format to all 185 outlets during the next two to three years at an annual cost of about £20m. Homeworks outperformed the rest of the chain by some 12 per cent during the sale. The investment would be funded from cash flow, he said.  
*Peggy Hollinger*

# Enviromed to sell Pro-Care

**By Motoko Rich**  
Enviromed, the biotechnology and diagnostics company, yesterday said it was selling Pro-Care, its dental equipment maker, to restore its balance sheet and guarantee the extension of bank facilities.  
As it announced pre-tax losses of £8.2m - including exceptional charges of £5.5m - for the year to September 30, the group said it had accepted an offer to buy Pro-Care from VDC, the AIM-quoted animal healthcare products company, for £3.6m cash.  
In addition, VDC would pay up to £7.5m, including the value of Pro-Care's net assets. VDC will also assume the trade creditor, finance lease and other liabilities of the business.  
Enviromed said the disposal was "fundamental to the future of the company in light of the group's indebtedness".  
The rise in profits resulted from improved performance in the north-east and in London, where the group runs the Central franchise. However, margins at the Oxford business fell.  
Mr Ballinger said that pas-

# Go-Ahead hits out at MMC

**By Geoff Dyer**  
Go-Ahead Group, the Gateshead-based bus group, hit out yesterday at the Monopolies and Mergers Commission, describing parts of a recent report as "absolute nonsense".  
Mr Martin Ballinger, chief executive, said that the recent MMC decision clearing its acquisition of OK Motor Services in County Durham contradicted an earlier report into bus services in the north east which had criticised Go-Ahead.  
The group was negotiating with the Office of Fair Trading over undertakings it had been required to give after the first report, some of which he claimed were "illegal and laughable".  
His comments came as Go-Ahead announced a 63 per cent increase in interim pre-tax profits to £6.69m (£4.1m). Turnover in the six months to December 30 was £67.6m (£48.7m), up 39 per cent.  
The rise in profits resulted from improved performance in the north-east and in London, where the group runs the Central franchise. However, margins at the Oxford business fell.  
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Martin Ballinger, announced a 63 per cent rise in interim pre-tax profits to £6.69m

enger numbers, which had been declining for more than 20 years, were rising in areas such as Brighton where local authorities encouraged the use of buses.  
Mr Ballinger said that Go-Ahead was now interested in looking at railway passenger franchises.  
The interim dividend is 1.85p (1.6p) payable from earnings of 12.69p (12.03p).  
The shares rose 12p to 305p.

Go-Ahead has been the tortoise of the quoted bus sector. It has been slower to make acquisitions and its margins pale beside Stagecoach's. But investors can take a good deal of comfort from its approach. Its strategy is less risky than its competitors and lower margins mean greater room for improvement from existing operations. Also management attention is now free to con-

sider expansion, even if gearing of 213 per cent is high. But most attractive of all is the rating. With analysts forecasting full-year pre-tax profits of £13.2m and earnings of 26.5p, the shares are at a 20 per cent discount to the market - not very generous for a company forecast to increase earnings by over 50 per cent this year and which faces an outside chance of a takeover bid.

# Kvaerner silent over Trafalgar bid

**By Andrew Taylor, Construction Correspondent**  
Discussions on whether Kvaerner, the Norwegian engineering and shipbuilding group, will launch a formal bid for Trafalgar House are expected to continue over the weekend.  
Kvaerner, which has expressed an interest in buying the UK engineering, construction and shipping conglomerate, declined to comment on its immediate plans, following a board meeting in Oslo yesterday.

Discussions have mostly taken place between SBC Warburg and Schroders, the financial advisers of Kvaerner and Trafalgar House.  
Trafalgar House directors are understood to have indicated that they would be prepared to support a bid, provided this valued the group at no less than £900m. This would imply an offer of 50p to 55p for each ordinary share.  
Some observers believe that Hongkong Land, Trafalgar's largest shareholder with 26 per cent, has become so disenchanted with the performance

of its investment that it might consider a lower offer.  
Trafalgar shares last night closed 2 1/4p lower at 44 1/2p. Hongkong Land paid 73p a share when it first bought its stake in Trafalgar in 1992.  
Kvaerner ruled out a hostile bid, following its failed £360m hostile offer in December for Amec, another UK engineering and construction group.  
A marriage between Kvaerner and Trafalgar would create the world's largest offshore oil and gas fabrication business.  
Kvaerner would also want Trafalgar's John Brown and

Davy process engineering and construction subsidiaries which would fit neatly with its engineering interests, manufacturing equipment for the oil and gas, and pulp and paper industries. The Norwegian group, however, has made it clear it has no interest in retaining the Cunard shipping business.  
If it makes a bid, it will need to be assured that it can find a buyer for Cunard and that there are no more large loss-making engineering and construction contracts hidden in Trafalgar's current order book.

# Walking a high wire at Energis

Alan Cane on the choices facing the National Grid's telecoms arm

Energis, the telecommunications company owned by the National Grid, is likely to set up an alliance with an international partner within 12 months, according to Mr Mike Grabiner, its new managing director.  
Mr Tom Murphy, managing director, said: "We do not expect to have any trouble if the Pro-Care sale is approved."  
The losses were struck on sales more than tripled to £27.5m. The bulk of the rise, however, was derived from the acquisitions of Pro-Care and Cambridge Veterinary Sciences, which was sold to Vetoquinol, the French group, last December.  
Losses per share were 33.77p, compared with earnings of 4.39p.



Mike Grabiner: 'Energis is a well-kept secret in the market'

Is Energis, however, simply one more long-distance carrier in an overcrowded market? If the situation were static, it would be tempting to agree. The telecoms business is changing rapidly, however, and to Energis's advantage with the advent of the information superhighway.  
The Energis network, utilising high capacity fibre and a transmission technique called Synchronous Digital Hierarchy, designed to carry a mixture of voice, data and video, is well suited to advanced, interactive services of a kind that BT, for example, cannot offer nationwide.  
Energis already provides nationwide carriage for the cable companies - Diamond, Telecable and Leicester - but there is scope, Mr Grabiner thinks, for a standard agreement with the cable industry as a whole.  
It would give Energis access to the "local loop" - the connection to the home or office - and also benefit cable companies if they could get the appropriate arrangements with cable television companies, we could offer cost effective, interactive services that would allow them to differentiate their offerings and reduce churn." Churn is a measure of the proportion of customers leaving or excluded from the network.

# Thomas Locker to enfranchise shares

**By Simon Kuper**  
Thomas Locker, the engineer, is to enfranchise non-voting shares representing about two-thirds of its £20m market value.  
The Locker family decided to issue the non-voting shares soon after the company went public in 1947 as a way of raising capital without losing control of the company. Thomas Locker said it was giving voting rights to those shareholders because they "share the same risk and rewards as the holders of ordinary shares".  
Mr Peter Douglas, chairman, said "you could count on your fingers and toes" the number of listed companies that still had non-voting shares. Grandplan Television, Barr & Wallace Arnold Trust, Liberty, the retailing and textiles group, and James Beattie, the department store operator, have all

enfranchised non-voting shares in the last two years.  
The company will compensate voting shareholders through a 3-for-10 scrip issue which will create 5.69m shares to add to the 74.5m in circulation. This will dilute earnings per share by about 7.5 per cent and raise the cost of maintaining last year's dividend.  
A foreign income dividend of 0.3p (0.2p) was paid for the six months to last September 30, from earnings per share of 1.09p (0.15p). Half-year pre-tax profits were £748,000 on turnover of £16.5m.  
Shareholders are expected to approve the move on March 26. Mr John Carr, a private investor who held 22.6 per cent of the shares and rejected the scrip offer as too low, sold his stake in January. He had criticised the £7.5m acquisition of Pentre in December, which he said was overvalued.

# Setback for Formscan

Formscan, the distributor of IT-related document production and capture peripherals and one of the original entrants to the AIM in June 1995, yesterday reported a 11 per cent downturn in first-half profits.  
The shares, which had risen from 60p to 193p during the past year, retreated 22p to 158p yesterday.  
Nevertheless, Mr Allan Harle, chairman, described the outcome - pre-tax profits for the six months to January 31 dipped from £577,017 to £511,845 - as "satisfactory" with strong levels of business in both its OCR and integrity divisions.

the network genuinely combines low cost with high functionality, that there are significant products and that there are many more customers - 11,000 generating 2m calls a day - than I had thought.  
"The fundamentals of the business are outstanding. My role is to take the company much more aggressively to the market."  
His strategy involves a combination of marketing and alliances. A sales director, Mr Bob Taylor, has been recruited from Unisys, the computer company. Ms Irene Cackett, with Energis since the launch and formerly with Mercury Communications, is now responsible for marketing. The amount spent on advertising, probably less than £1m last year, will be increased substantially.  
Mr Grabiner is anxious to shake up the company's sales activities. The largest accounts - the BBC, Boots, Abbey Life and Hertz UK among them - are managed through a direct

sales force. These customers typically have Energis lines laid directly to their offices.  
Mr Grabiner thinks that efficiencies can be found in third parties taking over the task of selling to smaller customers; those taking "indirect" services where the connection to the Energis network is made over BT lines. This typically involves putting a "black box" in the office or reprogramming a local switch. "A lot of this can be sold by third parties like branch exchange dealers or regional electricity companies," he says.  
"I would like to develop a stronger relationship with other players in the telecoms market. We need to build better relationships with the cable television operators and with MFS and Colt" [the operators offering specialised services to businesses in the UK's larger cities].  
The overall aim through international and local partners would be to offer an end-to-end, seamless service.

Mr Grabiner is determined to crack the business market first. In the first six months of the year the company lost more than £40m on revenues of £15.7m. It is not scheduled to move into profit until 1999 or 2000. Mr Grabiner believes the figures are already moving in the right direction.

# Capital & West to join Aim

Capital & Western Estates, a residential property company formed under the business expansion scheme, has been admitted to the Aim.  
The company, which recently bought two properties in London for £1.51m, plans a further purchase after dealings begin, probably on March 6. Part consideration for the further deal will be made by offering one share per 2.5p of the purchase price, representing a premium of 48 per cent over the net asset value of 1.68p a share.

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The company, which recently bought two properties in London for £1.51m, plans a further purchase after dealings begin, probably on March 6. Part consideration for the further deal will be made by offering one share per 2.5p of the purchase price, representing a premium of 48 per cent over the net asset value of 1.68p a share.

"After eight weeks here, however, I can confirm that

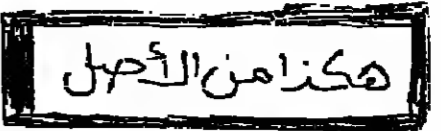
# Dawsongroup in £7.3m purchase

Dawsongroup, the Milton Keynes-based asset rental company, has disposed of DFC, its Volvo truck distributorship business, together with two related properties, to Volvo Truck and Bus for £7.3m.  
This is represented by £3.92m

# RESULTS

| Company             | Turnover (£m)    | Pre-tax profit (£m) | EPS (p)       | Current dividend (p) | Date of payment | Dividends corresponding dividend | Total for year | Total for year |
|---------------------|------------------|---------------------|---------------|----------------------|-----------------|----------------------------------|----------------|----------------|
| Enviromed (FT & AI) | Yr to Dec 31     | 27.5 (8.4)          | 0.57 (0.7)    | 24.86 (21.26)        | 5.2             | Apr 29                           | 7.2            | 9.8            |
| Enviromed           | Yr to Sept 30    | 27.5 (8.2)          | 0.21 (0.4)    | 33.77 (4.93*)        | all             | -                                | 1.4            | 1.8            |
| Formscan            | 6 mths to Jan 31 | 2.53 (2.3)          | 0.512 (0.577) | 4 (4.8)              | -               | -                                | -              | 2              |
| Go-Ahead            | 6 mths to Dec 30 | 67.6 (48.7)         | 6.69 (4.1)    | 12.69 (12.03)        | 1.85            | Apr 25                           | 1.8            | 4.3            |
| Henlys              | Yr to Dec 31     | 451.6 (389.1)       | 25.3 (18.1*)  | 34.1 (31.9)          | 8               | Apr 10                           | 8              | 12             |
| Memory              | Yr to Dec 31     | 0.45 (-)            | 1.95 (1.95)   | 3.21 (2.11)          | -               | -                                | -              | 0.5            |
| Permanent           | 6 mths to Nov 30 | 3.7 (2.03)          | 0.414 (0.385) | 0.281 (0.28)         | 0.047           | Jun 22                           | 0.047          | 0.22           |
| Spain Grouping      | Yr to Dec 31     | 7.28 (6.02)         | 0.22 (0.21)   | 4.43 (4.2)           | 2.25            | May 1                            | 2              | 3.8            |
| Specialist S        | Yr to Nov 25     | 21.8 (20.4)         | 7.84 (7.78)   | 33.45 (33.08)        | 0.75            | Apr 25                           | 0.75           | 0.75           |
| UK Estates          | 6 mths to Dec 31 | 2.48 (2.09)         | 0.112 (0.531) | 0.11 (0.88)          | 0.1             | Apr 16                           | 0.1            | 0.25           |

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. \*Revised. †After exceptional charge. ‡After exceptional credit. †0c increased capital. ‡AIM stock. †USM stock. †Cross income.



COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Sharp fall in price of nickel

Investment funds decided to sell nickel this week and by Thursday morning the price for metal for delivery in three months on the London Metal Exchange had dropped by more than 8 per cent from Friday's close.

Traders said the sharp fall was caused by those investment funds that rely on technical indicators such as charts. The funds apparently were intent on driving the price down to between \$7,500 and \$7,800 but they did not succeed.

Nickel touched \$7,700 before a late rally on the LME, led by copper, took the price back up again. Last night, three-month nickel closed at \$7,922.50 a tonne, up \$140 on the day but \$265 a tonne or 5 per cent down over the week.

Some analysts suggest other factors indicated that nickel prices should be lower, particularly the slowing of demand for stainless steel which accounts for two thirds of nickel consumption.

Mr Viktor Bielski, analyst at Bain & Company, suggested further weakness in the nickel price was likely unless it could bounce back above \$8,000 a tonne. This would require a significant increase in consumer interest and appears unlikely in the very near term.

Mr Vladimir Kadannikov, Russia's first deputy prime minister, triggered a sharp fall in the price of palladium on Wednesday when he was quoted by the Inter-Tass news agency as saying that the federation might sell precious metals and diamonds to cover an expected shortfall in its budget.

Palladium's price in London fell by \$23.50 a troy ounce to \$1,187.50.

BASE METALS

LONDON METAL EXCHANGE

Table with columns: Comd, Price, Change, High, Low, Vol, Open. Rows include Gold, Silver, Platinum, Palladium, Lead, Zinc, Tin, Aluminium, Copper, Nickel.

PRECIOUS METALS continued

Table with columns: Comd, Price, Change, High, Low, Vol, Open. Rows include Gold COMEX, Silver COMEX, Platinum NYMEX, Palladium NYMEX.

GRAINS AND OIL SEEDS

Table with columns: Comd, Price, Change, High, Low, Vol, Open. Rows include Wheat CBOT, Soybean Meal CBOT, Soybean Oil CBOT, Corn CBOT.

SOFTS

Table with columns: Comd, Price, Change, High, Low, Vol, Open. Rows include Cocoa LCE, Coffee LCE, Cotton LCE.

MEAT AND LIVESTOCK

Table with columns: Comd, Price, Change, High, Low, Vol, Open. Rows include Live Cattle CME, Live Hogs CME, Pork Bellies CME.

WEEKLY PRICE CHANGES

Table with columns: Comd, Price, Change, High, Low. Rows include Gold, Silver, Platinum, Palladium, Lead, Zinc, Tin, Aluminium, Copper, Nickel.

WORLD BOND PRICES

Table with columns: Country, Coupon, Price, Yield, Week, Month. Rows include Australia, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Portugal, Spain, UK.

US INTEREST RATES

Table with columns: Rate, Bid, Ask, Bid, Ask. Rows include Treasury Bills and Bond Yields.

BOND FUTURES AND OPTIONS

Table with columns: Comd, Price, Change, High, Low, Est. vol, Open Int. Rows include French, German, Japanese, UK.

LONG TERM BOND FUTURES (MATR)

Table with columns: Comd, Price, Change, High, Low, Est. vol, Open Int. Rows include US Treasury, UK, Japan.

FT ACTUARIES FIXED INTEREST INDICES

Table with columns: Index, Price, Change, High, Low, Est. vol, Open Int. Rows include UK Gilts, US Treasuries, Japanese, UK.

FT FIXED INTEREST INDICES

Table with columns: Index, Price, Change, High, Low, Est. vol, Open Int. Rows include Government Securities, Municipal, Corporate.

UK GILTS PRICES

Table with columns: Maturity, Price, Change, High, Low, Est. vol, Open Int. Rows include Gilts with various maturities.

ECONOMIC DIARY

TODAY: General elections in Australia. South Carolina Republican primary. Mr John Major, prime minister, visits Hong Kong to (March 4).

TOMORROW: Spanish general elections; Andalusian local elections; China People's political consultative conference opens in Beijing.

MONDAY: National Food Survey; household food consumption (fourth quarter); UK official reserves (February-provisional); M0 figures (February-provisional); US personal income (January); European Union (EU) environment ministers meeting in Brussels (to March 5).

TUESDAY: Advance energy statistics (November-January); US leading indicators (January); factory orders (January); National People's Congress begins annual session in Beijing; Republican primaries in Colorado, Connecticut, Georgia, Maine, Maryland, Massachusetts, Rhode Island and Vermont (Junior Tuesday).

WEDNESDAY: Housing starts and completions (January); Overseas travel and tourism (December); US new home sales (January); Mr Donald Tsang, the Hong Kong financial secretary, will present his maiden budget; Sudan's presidential elections and second phase of parliamentary elections (to March 17); Glaxo Wellcome publishes results.

THURSDAY: Labour market trends (March); Cyclical indicators of the UK economy (February); CBI survey of distributive trades (February); US consumer credit (January); New York Republican primary; Geneva International Car Show (to March 17); Bank of England Treasury monthly meeting; Results from Cookson Group, Kroll, Rolls-Royce and RTZ Corporation.

FRIDAY: Construction output (fourth quarter); Iran holds parliamentary elections; Presidents of Andean Group of nations arrive in Trujillo, Peru for summit (to March 10).

THE TOP OPPORTUNITIES SECTION

For senior management positions. For information please contact Robert Hunt +44 0171 873 4095

UK NATIONAL UK GILT FUTURES (LIFE) 250,000 £100s of 100%

Table with columns: Comd, Price, Change, High, Low, Est. vol, Open Int. Rows include UK Gilts with various maturities.

UK NATIONAL ITALIAN GOVT. BOND (BTP) FUTURES

Table with columns: Comd, Price, Change, High, Low, Est. vol, Open Int. Rows include Italian Govt. Bonds.

UK NATIONAL SPANISH GOVT. BOND (MPT) FUTURES

Table with columns: Comd, Price, Change, High, Low, Est. vol, Open Int. Rows include Spanish Govt. Bonds.

UK NATIONAL JAPANESE GOVT. BOND (JGB) FUTURES

Table with columns: Comd, Price, Change, High, Low, Est. vol, Open Int. Rows include Japanese Govt. Bonds.

UK NATIONAL AUSTRALIAN GOVT. BOND (ATB) FUTURES

Table with columns: Comd, Price, Change, High, Low, Est. vol, Open Int. Rows include Australian Govt. Bonds.

UK NATIONAL CANADIAN GOVT. BOND (CGB) FUTURES

Table with columns: Comd, Price, Change, High, Low, Est. vol, Open Int. Rows include Canadian Govt. Bonds.

UK NATIONAL NEW ZEALAND GOVT. BOND (NZB) FUTURES

Table with columns: Comd, Price, Change, High, Low, Est. vol, Open Int. Rows include New Zealand Govt. Bonds.

US TREASURY BOND FUTURES (CBT) \$100,000 \$100s of 100%

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US TREASURY BOND FUTURES (CBT) \$100,000 \$20s of 100%

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US TREASURY BOND FUTURES (CBT) \$100,000 \$5s of 100%

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## COMMENT &amp; ANALYSIS

## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700  
Saturday March 2 1996

## Place your bets, please

Investors are more or less agreed that further UK interest rate cuts are in the pipeline - possibly next week. But that is where the consensus ends. As usual, where you stand on the medium-term outlook for the economy depends largely on where you sit.

If you are an investor in sterling futures, you believe that interest rates will fall over the next few months, but that this will be reversed by year end as demand stages a sprightly comeback. The market is now predicting base rates of 6 per cent by the summer, down from their present 8 1/2 per cent, but the same investors are expecting rates to be back at 8 1/2 per cent by December.

Much of this story looks plausible. The February survey of UK purchasing managers, released yesterday, indicated that last year's slowdown in economic activity has continued into the new year. The survey found that the manufacturing sector contracted slightly last month, for the first time in more than three years.

In a sense, these figures merely confirmed what many had already concluded from the fourth-quarter figures for GDP. Growth in output during the first half of the year was always going to be heavily influenced by manufacturers' attempts to off-load excess inventories left over from last year.

Official data on inventory levels are somewhat unreliable, but stocks in manufacturing are thought to have risen by nearly 6 per cent over the past 18 months, compared to a rise in output of just 1 per cent. This suggests that producers' attempts to cut down on output so as to bring their stock ratios back into line are likely to depress overall economic growth for some months.

**Underlying strength**  
Support for the second, more optimistic, stage of the market prediction comes from the underlying strength of consumer demand, particularly in the service sector, which was little affected by last year's pause in the growth rate.

Consumer spending has grown at a sprightly 3 per cent annual rate since the second quarter of 1995. Indeed, a pick-up in the growth of the broad measure of the money supply is already sounding some alarm bells at the Bank of England. The latest figures, showed M4 growing at an annualised rate of 13.4 per cent in the three months to January, up from 7.3 per cent in October.

Windfall gains from maturing tax-exempt savings accounts, building society reorganisations

and other "one-offs" ought to boost spending further over the next few months. Once the stock adjustment is complete, domestic consumers could propel the economy back to above-trend growth rates, even if demand on the continent continues to disappoint.

The fact that interest rates are likely to fall further provides another reason to be optimistic about growth in the second half of the year. Mr Kenneth Clarke, the Chancellor, has cultivated a reputation for prudence, but another, modest interest rate cut would not necessarily endanger the government's inflation target. Indeed, the recent spate of sober manufacturing data suggest that such a reduction might be worthwhile - as long as he does not hesitate to raise them again if and when price pressures start to reappear.

## Rising expectations

Gilt investors appear to agree with everything in the story but the punchline: the yield on 10-year government bonds has risen by around half a percentage point in the past month, in line with bond markets around the world. Some of the rise was reversed yesterday in response to rising expectations of lower short-term rates.

Yet, to judge by the yield on index-linked bonds a large part of the rise in bond yields - perhaps one third of a percentage point - reflected higher expectations of future inflation. Inflation is now expected to average roughly 4 1/2 per cent over the 10 years, compared to less than 4 per cent four weeks ago. This implies that investors have some faith in the UK authorities' ability to restart the economy; what they doubt is the government's determination to stop it overheating in the lead-up to a general election.

But not everyone is agreed that the UK is poised for a sprightly resumption in domestic demand - at least, not one worth writing home about. The PMI reported that demand for investment goods "remains patchy and generally in decline".

Companies may be hoping to consolidate their position - and jack up prices - when the economy picks up again, but they are not investing in large amounts to extra capacity to meet higher demand. This hesitancy to invest could make it more difficult to restrain inflation once growth resumes, and harder still to keep the current account deficit under control. Both, in turn, would call for a response from Mr Clarke, in the form of higher interest rates, before the year is up - but do not lay too much money on him responding.

## Shadow over Mandela's smile

High unemployment and crime are among the many challenges still facing post-apartheid South Africa, says Roger Matthews

In three years or less Mr Nelson Mandela will step down as president of South Africa, and he has narrowed his agenda to a single item. "I will pass through this world but once, and I do not wish to divert my attention from my task, which is to unite the nation," he said last week.

Speaking to cheering students at the traditionally conservative Afrikaner University of Potchefstroom he went on: "I am writing my own testament because I am nearing my end. I want to be able to sleep till eternity with a broad smile on my face knowing that the youth, opinion-makers and everybody is stretching across the divide, trying to unite the nation."

Although Mr Mandela has already achieved far more than might have been expected when he became president in May 1994, unemployment, crime and the attempt to come to terms with the conflicts of the apartheid past will for a long time threaten to undermine his achievements.

Some of the ugliest incidents from that past will be resurrected on Monday when General Magnus Malan, the former defence minister, and 19 others, including former senior army officers, go on trial in Durban. They face a battery of charges including murder, attempted murder, and conspiracy to murder, linked to the killings of 13 people, and other actions allegedly carried out by a 200-strong paramilitary unit which operated between 1986 and 1989 in the province of KwaZulu-Natal.

Gen Malan, who describes himself as "a moderate, a liberal and a Christian" said after being charged: "What has happened here is the biggest crisis in South African democracy. It is now in its darkest hour."

Other South Africans also believe they are passing through dark hours, including the white parents of children at a primary school in Potgietersrus, 150km from Pretoria, who have removed their offspring from the building rather than allow them to attend classes with blacks.

Mrs Karen du Plessis, who heads the white parent group, admitted their action was disruptive for the children. "But it is for the sake of Afrikaans for generations to come," she said. "If we do not take a stand, Afrikaans [the language] will be wiped out in two years."

Archbishop Desmond Tutu, who argues for reconciliation almost as vigorously as Mr Mandela, is also about to start delving into the past as head of the Truth Commission, which over the next two years will investigate the worst human rights abuses of the last three decades, and grant amnesties to those who confess all.

The archbishop, who now has a 24-hour bodyguard, believes the process is vital if still-open wounds are to be healed. "The nation must acknowledge and understand what has happened," he says. "The survivors and the victims must be allowed to tell their stories. If we succeed in this work the repercussions will be considerable. But if we fail, the consequences will be too



Faces of South Africa: black and white pupils at Potgietersrus school a day after it was desegregated; General Magnus Malan, who goes on trial on Monday; and President Mandela poses with the national football team

ghastly to contemplate." General Constand Viljoen, former army commander who heads the Freedom Front, the dominant Afrikaner political party, says he also believes in reconciliation, but thinks there should be a general amnesty covering abuses of the past, not a case-by-case examination. "I do not believe we will have reconciliation through the Truth Commission. Instead it will provoke retribution. It might even become a witchhunt."

The best testament to Mr Mandela's skill in striking a balance between such strongly opposed attitudes is that they have become the exception. The overwhelming majority of schools, for example, have integrated. But as the euphoria generated by the relative smoothness of the transition from apartheid slowly evaporates, so more and more South Africans begin to understand the scale of the challenges ahead. There is a consensus

that the two primary issues are unemployment and crime. South Africa is a world leader in both. Unemployment is put officially at 4.7m, or 33 per cent of the workforce. A report issued on Thursday by the South Africa Foundation, which groups the biggest 50 companies and 10 multinationals, estimates that if the economy continues to grow at its present rate of just over 3 per cent, unemployment will rise to 6.7m by 2000, or 37.4 per cent of the workforce, and top 40 per cent four years later.

The report notes that two out of five South Africans, about 17m people, live in poverty. At present economic growth rates this number will increase steadily. "This state of affairs is morally repugnant and is a profoundly destabilising force in society," says the report. Just how destabilising was illustrated last month when gunmen opened fire on a crowd of over 2,000 queuing for

jobs at 3am outside a factory near Johannesburg. Eight people were killed and 23 wounded. The motivation appears to have been management plans to introduce a third shift, which would have curtailed overtime earnings.

The police, demoralised and underpaid, are struggling to cope with the increase in crime. Senior officers in Gauteng province, which includes Johannesburg and Pretoria, say they are short of 12,000 men, equivalent to half their present strength. Nationally, police say last year's budget represented a real cut of 4 per cent.

In the affluent, mainly white suburbs of northern Johannesburg most residents subscribe to private armed reaction units, and are increasingly applying to close roads and build walls round entire districts to combat burglaries and car hijackings by armed groups. The chairman of a residents' group at

Hurlingham says 88 vehicles were hijacked there last year, but not one since access was limited to a single point controlled by armed guards. But such solutions only push crime into other areas, and are not available to the black majority, already the primary victims.

Opening parliament last month, Mr Mandela called for a "new patriotism" and a "national vision" to lift the country "from the quagmire of crime and unemployment". Ministers, party leaders, captains of industry, trade unionists, and radicals of all persuasions, applauded his words. There is also broad agreement on what the national targets should be.

Mr Thabo Mbeki, the deputy president and heir-apparent to Mr Mandela, said this week the government's aim was sustained annual growth of 6 per cent and the creation of 500,000 jobs a year by 2000. The main employers' organisations concur. What separates them is how these goals should be achieved.

The South Africa Foundation wants a rapid reduction in crime, swift easing of exchange controls, rapid privatisation, drastic cuts in the budget deficit, flexible labour markets, a reformed tax structure and a vigorous export drive. While praising the "wonderful job of reconciliation" done by Mr Mandela, it fears that in almost every sector the government is moving too slowly, or - in the case of the new Labour Relations Act which gives workers a bigger say in company policy - heading in the wrong direction.

Such is the respect accorded to Mr Mandela that chief executives will not speak out more forcefully against his government's policies. "He is such a fine man, and has done so much to reconcile this country, that you can't just come out and say he's wrong," says one chief executive. "But if you want to create jobs, you do not pass the sort of new labour legislation that we will have to work under." Similar reticence applies to the issue of exchange controls following the weakening of the rand. In public, chairmen and chief executives call for a swift easing, in private for total, immediate abolition.

They argue that the African National Congress has perhaps 18 months in which to act decisively on a range of issues before the political pressures of the next general election in 1999 begin to intrude. But the ANC, and its communist and union allies, cover a broad political spectrum and remain committed to consultation and consensus-building. The risk, therefore, remains that the government, proud of its record so far, will not be hurried into more radical action until the need is even more apparent.

It is then, perhaps, that the gloves will come off in the economic debate. But at least the participants start with the knowledge that strong economic growth and millions of new jobs are essential for the long-term success of Mr Mandela's mission, and the breadth of his eternal smile.

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to "line 1", e-mail: letters.editor@ft.com). Translation may be available for letters written in the main international languages.

## Competitive trade-off that may run out of time

From Mr Iain Wylie.

Sir, Ronald Dore's analysis of the western, particularly Anglo-Saxon, competitive model versus the Japanese one is timely (Letters, February 23). The totally open market concept avoids the need for an intelligent, responsible approach to acceptable social equity.

Continental European countries developed their own, initially successful, post-war model, but this has now become cumbersome, bureaucratic and costly, limiting

their international competitiveness. Japan has a dilemma. Its aggressive international competitiveness has produced a western, particularly US, reaction aimed at changing its home market structure.

As anyone who has worked there knows, the Japanese domestic market is one of the most ruthlessly competitive in the world. However, it is constrained by balancing regulatory mechanisms and cultural factors that do not produce the lowest cost goods and services,

but maintain social cohesion, with visible benefits.

It is far from a perfect system, but involves a trade-off that a growing western public opinion seems to find preferable to the social extremes, coupled with alienation, found in the US, and increasingly in Europe.

The Japanese know that increasing "liberalisation" is likely to break the social consensus, but are under strong pressure to change if their trading relations are to be

maintained, and their younger population satisfied. They are struggling to define a balance. The question is, can they prolong this process long enough to see a pendulum swing, as Ronald Dore asks, to a changing western consensus.

Iain Wylie,  
31 High Point,  
Filton Road,  
Bitchin,  
Berts SGG6 2BB, UK

## Priority must be given to skills

From Mr Bruce Lloyd.

Sir, Pamela Meadows' Personal View ("When growth fails the unemployed", February 27) provided some valuable arguments to help reduce unemployment but a fourth option is likely to be more effective all round. This option is to focus on the skill development (both competence and commitment) of those concerned. Unemployment rates are much greater among those individuals without skills than those with them, and this gap is likely to increase in the years ahead.

By providing support that ensures improved long-term employment prospects (ie, where the real added value is greater than the cost) there are not only real benefits for the individuals concerned but this also benefits the existing work force, rather than adding potential costs reflected in the other options.

Bruce Lloyd,  
strategic and international  
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## A welcome for children in Paris

From Mr Peter Hammett.

Sir, Ms Katherine Rossi (Letters, February 29) and I apparently frequent different parts of Paris or maybe have different expectations. After the experience of "no children" in many English pubs, their ready acceptance in most French cafes and brasseries has always pleased me. Of course, if you choose to dine with Michelin stars, the situation changes... but it is an awfully expensive way to feed children!

Everyone seems to have forgotten the key pleasures of McDonald's for young children:

- 1) They get to eat with their fingers without being told off.
- 2) They get a silly free present that they can break and/or lose without parental disapproval.

All this and chips to boot! What more can a five-year-old want?

Peter Hammett  
2, Square Maurice Denis,  
92190 Meudon, France

## Danger of the IT 'power users'

From Mr Paul Offord.

Sir, I found Vanessa Houlder's article "The changing face of corporate IT" (February 26) very interesting. The rise of the "power user" is bringing with it some dangers. "Power users" have the knowledge to build systems, but that is only part of the story. A large portion of IT department work consists of mundane tasks driven by procedures. Failure to carry them out endangers the integrity of corporate data and hence will

create commercial risks. If you accept that the time invested will probably be lost if the user leaves, there is scope for "power users" to create their own reporting and inquiry applications. I just would not trust them to look after the data.

Paul Offord  
managing director  
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Hastler House, High Street  
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## Not deserving of such denigration

From Mr David Paul.

Sir, Why this constant denigration of our public services? No-one would guess from your leader on the Channel Tunnel link ("Slow crawl to the fast link", March 1) that British Rail InterCity has for more than 20 years operated Europe's most extensive high speed train services, becoming a model for other railway administrations.

Neither would anyone guess that, even today, InterCity services serve more towns with more frequency at higher average speeds than any other European railway system.

So why the constant sniping?

David Paul,  
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The Financial Times plans to publish a Survey on

## Insurance

on Wednesday, March 27

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FT Surveys



مكتبة من الأعمال

Men in the News • Henry and Simon Keswick

Taipans who missed the boat

Simon Davies and John Ridding on the brothers at the top of Jardine Matheson

For Henry and Simon Keswick, the struggle to expand the presence in the west of Jardine Matheson, Hong Kong's oldest trading group, has proved to be a troublesome experience.

Since the 1970s the two men have made a series of failed attempts to build a business empire outside Hong Kong to protect Jardine if things should go wrong when the UK colony reverts to Chinese sovereignty next year.

This week it emerged that they had been no more successful with their latest attempt - a £300m investment in Trafalgar House, the UK construction, engineering and shipping conglomerate. Jardine appears ready to take a loss of about £100m by selling its stake to Saenger, the Norwegian engineering and shipping group.

"It is a paradox," says Simon Murray, Deutsche Bank's chief executive for the Asia-Pacific region. "They have moved from Hong Kong to reduce risks, but have ended up increasing them."

The investment in Trafalgar House, by Jardine's standards, but was to have been a launch pad for the group to expand in the UK. Simon Keswick was brought in as chairman, swiftly followed by Hong Kong Land's finance director, David Gower, and then Nigel Rich, former Jardine Matheson managing director.

However, the strategy quickly began to unravel when Trafalgar attempted to acquire Northern Electric, the UK utility, in a £1.1bn hostile bid launched in December 1994. The bid was prolonged when the electricity regulator decided to reopen the pricing controls for the industry and problems began at Trafalgar. These included difficulties at Cumard, the shipping line, and mounting losses in parts of its engineering division.

Since Jardine's property arm, Hongkong Land, first started building up its 26 per cent stake in October 1992, £1.52bn of Trafalgar's net assets have evaporated, through a proliferation of provisions, rationalisations and operating losses.

The decision whether to sell Trafalgar at a loss will be made in Jardine's headquarters in the City, in surroundings more akin to an old-fashioned club than a corporate nerve-centre. In addition to Henry and Simon, the decision-making core includes Rodney Lasch, the former Rothschild's banker, and Sir Charles Powell, foreign affairs adviser to Lady Thatcher

when she was prime minister.

Simon is the youngest son of Sir William Keswick, a former director of the Bank of England. A director of Jardine Matheson, he is the more sociable of the two, the man sent in to sort out businesses when they go wrong. It was Simon who returned to Hong Kong in 1982 to sort out the group after collapsing property prices and rising interest rates brought Hongkong Land close to collapse.

Henry, the eldest son and Jardine chairman, is described by insiders as the strategist who sets the direction for the group. One former colleague says he is "like a 19th-century grandee" in the tradition of the taipans who headed the colony's family-controlled trading companies.

Born in Shanghai in 1938, Henry can remember the takeover of Jardine's Chinese businesses by the communists in 1949. It has clearly left a mark on him: giving evidence to a Commons committee in 1989, he referred to China's regime as "Marxist-Leninist, thuggish, oppressive".

Jardine was once the partner of choice for any large

project in the colony, with immaculate connections in Britain and expatriate Hong Kong. Its fingers were in most of the territory's more lucrative pies, from Hongkong Telecommunications and Hongkong Electric to a diverse property portfolio. But for the past 25 years Henry's aim has been to reduce the group's exposure in the colony. This has accelerated in the lead-up to the Chinese takeover.

Under his guidance, its holdings there fell to only 30 per cent of its assets during the early 1970s. But acquisitions abroad proved unrewarding. In the late 1980s, for example, Jardine acquired Kwik Save, the UK discount grocer, which has subsequently underperformed the UK market by 30 per cent, and Simago, the Spanish retailer which has turned in five years of losses. In 1991, Jardine agreed to pay \$60m compensation to the shareholders of Bear Stearns, the US investment bank, after pulling out of buying a stake after the 1987 worldwide market crash.

By 1994, Hong Kong still accounted for 55 per cent of the group's profits.

At the same time, the group pursued a policy described as getting a foreign passport, just in case things went wrong in Hong Kong after 1997. In 1994, it moved domicile to Bermuda, provoking a massive sell-off in the Hong Kong stock market. In January 1995 it delisted its shares in Hong Kong.

However, there has been a political cost to this. The Chinese authorities started harping back to Jardine's optimism trading history, and accused Jardine of trying to undermine stability in Hong Kong.

When a Jardine-led consortium won the right to develop Hong Kong's ninth container terminal in late 1992, it was blocked by Beijing. By contrast, Citic Pacific, the Beijing-backed investment group, has built up a broad-based portfolio in the past five years, trading on its Chinese connections. Recently, Jardine's operational managers have been more enthusiastic about China, and it operates a rapidly growing number of joint ventures in China. The group's directors have become frequent visitors to Beijing. And Jardine recently sig-

nalled greater confidence in the territory by making its first bid in more than a decade for land at a government auction. The Keswick brothers have been wooing those who are likely to be power-brokers after the 1997 handover - they recently lunched with Mr Zhou Nan, China's quasi-ambassador to Hong Kong.

It seems to be paying off. Beijing seems likely to lift its veto on Jardine's investment in the port. And the company recently formed a consortium to develop and operate a river trade terminal with partners that include Mr Li Ka-shing's Hutchison Whampoa, and Cosco Pacific, the Hong Kong arm of China's largest shipping group.

It is perhaps fortunate for the Keswicks that they have never really had to account to their shareholders for the group's ups and downs. Henry is said to refer to Jardine as "my company", although the Keswick family controls only 10 per cent of the equity. And while Jardine has ponced an unmanaged business such as Trafalgar, its own management is protected by complex cross-shareholdings between group companies.

As one senior Hong Kong executive says: "If the Keswicks had been as skilful at running their businesses as they have been at protecting the family interests, Jardine would be one of the world's great companies."



Robert Corzine on the threat posed by the BP/Mobil merger

When garages fail to make the grade

Motorists who collect oil company stickers will need to get into gear if they are to complete their collections - because some famous names on Europe's forecourts may soon disappear.

This week British Petroleum and Mobil, the second largest US oil company, announced an ambitious merger of their refining, marketing and lubricants assets across Europe. The aim is to cut costs in businesses where profit margins have been shrinking steadily.

For the public the most noticeable result of the merger will be the disappearance of 3,600 Mobil service stations across Europe. Over the next two years most of them will be redecorated in BP's green and yellow livery at a cost of about £200m.

But for the European oil industry, the planned partnership is more than just a commercial alliance: it is an omen of even more radical restructuring to come. "It can only speed up the inevitable shakeout," said one industry expert this week. And it is a shakeout that many in the industry believe could end in the disappearance of some famous names.

"We are seeing naked capitalism at work," says Mr Bruce Petter, head of the UK Petrol Retailers' Association, a trade group for independent petrol stations owners/operators. In recent weeks service station operators across the UK have seen their margins pared back to some of the lowest levels ever experienced by the industry. The reason is the Price Watch campaign launched by Esso, the European subsidiary of Exxon, the US oil giant, in which it promises to match the lowest prices around its stations.

"Nowhere in Europe have margins ever been as tight as in the UK," says one industry expert. Some oil company executives, including Sir David Simon, BP chairman, believe Esso's campaign is no different from many previous price cutting exercises launched by various oil companies including BP. But others are not so sure: Esso is "trying to force massive change on a scale never before experienced in western Europe", says one executive who monitors prices and trends across Europe.

The fact that BP and Mobil, two of the more efficient international oil companies, have joined forces is an indication that competition, which is already fierce, promises to get even fiercer. The partnership will create the second largest oil retailing company in Europe, with a 12 per cent share of the market. That places it just behind Royal Dutch Shell and ahead of Exxon.

Other companies in the industry which have survived for decades are now "thinking the unthinkable", according to Mr Petter, and considering withdrawal from the market. The reason is that the oil companies in Europe operate too



many refineries producing too much petrol for markets which are no longer expanding. New cars become more fuel efficient by the year, while the high taxes imposed by European governments encourage carmakers to make their new models even more thrifty to operate.

The petrol surplus has reduced profit margins to the point where most service station operators now make most of their money from selling food and other household goods and ancillary services, such as car washes.

However, supermarket chains such as Tesco, J. Sainsbury, Asda and Sainsbury have also entered the petrol retailing market, drawn by plentiful supplies of cheap petrol available from oil company refineries. Attaching service stations offering cut-price petrol to new superstores has proved a good way of attracting customers to out-of-town sites.

Five years ago the 13 or so large oil companies operating in Britain shared 90 per cent of a growing market. Today they are fighting over 70 per cent of a stagnant one - and the supermarkets are still adding service stations to their chains. Meanwhile, petrol sales might even fall as a result of the government's plan to make sharp annual increases in excise duty on fuel.

"There are now just too many oil majors" for the new type of market, says one industry executive. He believes the solution is consolidation - with the handful of big companies which are committed to the retail market, such as Esso, Shell and BP, taking over their smaller competitors. "It's no good if a company from Saudi Arabia or Abu Dhabi comes into the market and buys a struggling chain," he says.

"There might only be three of four survivors among the oil majors," says Mr Petter. "Of the 68 different brand names now in the UK market, 58 could go." Many independent corner petrol stations face an uncertain future as the value of their service station sites plummets. Mr Petter believes 4,000 of almost 16,000 service station sites could shut in the next few years.

It is thus not only the brand names that may disappear. In many rural areas, the local service station could soon be a thing of the past.

Opinion polls suggest Spain will vote for change in Sunday's election, says David White

An exhibition of democracy

It was too tempting a headline opportunity to miss. The very conservative Spanish daily ABC was moved to comment the other day on the prime minister's appearance at Madrid's Reina Sofia modern art museum. It was a rare event. Mr Felipe González is not the kind of politician given to visiting exhibitions, attending football matches, or cutting ribbons. But that was not the point of the headline. "González in the museum," it said.

This is the cherished wish which the Spanish right expects to be fulfilled in tomorrow's general election: conservatives hope the country will put behind it more than 13 years under the spell of the Socialist leader's personality.

The election will be a landmark in the European Union's most recent democracy. Only once in the past 60 years has power been transferred from one elected party to another, and that was when Mr González won his first landslide victory in 1982.

If the opinion polls are right, Spain is indeed about to turn the page on Mr González. He led Spain into the EU and through a period of rapid economic growth in the late 1980s, but will also be associated with unprecedented unemployment and the bad odour attached to recent scandals over corruption and abuses of power.

The centre-right Popular party and its ever more confident leader Mr José María Aznar have been demanding their turn in government with almost indecent impatience. They resented Mr González's refusal to call early elections until he was forced to do so.

One of the more interesting polls, in the Barcelona newspaper La Vanguardia, asked people their main motive for saying they would vote for the Popular party. The biggest proportion, more than a third, said it was "for a change in government". A smaller number cited ideological reasons, and barely



Power struggle: José María Aznar, Popular party leader (pictured left), and Felipe González, Socialist prime minister

5 per cent based their choice on the party's political and economic programme.

Neither of the main parties has offered much to inspire voters. With rare exceptions, it has been an unexciting, low-level campaign. Any serious discussion of manifesto issues - job creation, the pace of economic liberalisation, prospects for tax cuts, relations between Madrid and the regions - has taken second place to mutual denigration.

If Mr González loses, it will be because enough Spaniards think it is time he lost - and because Mr Aznar's party has succeeded. In persuading middle-of-the-road voters that it is a forward-looking alternative, not a returning ghost of the old Spanish right.

The elections are also about generations. The Socialists, led by people in their late 30s and

early 40s when they came to power, have failed to renew their party. The bar has greyed. Their strongest vote is now among the old, who like their safe pensions and have the longest memories. The Popular party leadership is 10 years younger, and has more appeal among youth.

Tomorrow, people born after Franco's death in 1975 will for the first time vote in a general election. Mr Aznar did not enter politics until democracy was already installed and Mr González was leader of the opposition.

But Mr González, about to turn 54, is not yet ready to be placed in a glass showcase. He has campaigned hard and appears to have enjoyed himself. In the past, coming back from the dead has been almost his party trick. He did it in 1979, when he briefly quit the

Socialist leadership to force the party to jettison Marxism. Ten years ago he almost brought about his own demise by holding a referendum on Nato, in the last election in 1983, he was expected to lose and won by almost 1m votes.

Opinion polls last weekend showed the Socialists trailing up to 11 points behind the Popular party. Mr González might narrow the gap by picking up voters who were previously undecided or tempted to opt for the Communists, but senior Socialists fear the party is in decline and that any recovery will be too late.

Last time, the Socialists managed to win in a recession. This time, they stand to lose when the economy is looking relatively good, with prospects for sustained non-inflationary growth. Mr González, his reputation somewhat restored by

Spain's successful stint in the EU presidency in the second half of last year, wants at least to lose well.

He could still spoil Mr Aznar's day if the Popular party fails to obtain an outright majority, or a comfortable lead over other possible combinations of forces in parliament. Its only viable partners would be regionalist parties, but its touchy relations with the main Catalan and Basque parties have worsened during the election campaign.

In any case, there is no record of coalition government at national level since the ill-fated republic of the 1930s. The Basque region is the only place where coalitions have worked.

The most plausible outcomes of the election, therefore, are a clear Popular party victory, or a bit of a mess. The third

party, expected to consolidate its position, is the United Left, led by the communist Mr Julio Anguita. He says he will vote against a Popular government. On the other hand, the Socialists are not prepared to strike a deal with the United Left as long as the fiery Mr Anguita is in charge.

Mr Aznar argues that Spain's proportional representation system, which is weighted in favour of the larger parties, is designed to produce stable majority governments.

But in the six general elections so far, only three have produced an outright majority - the first three Socialist legislatures. And the disappearance of the Democratic Centre Union, the centrist party that guided Spain through the first steps of its restored democracy, has created an anomaly that will only end with a change since 1982, Spain has had a governing party with experience of opposition, but not an opposition with experience of government.

If the Popular party fulfils expectations tomorrow, this missing link in Spain's transition to democracy will be completed. The sense that there is still unfinished business in the transition pervades the campaign. The word "democracy" itself is bandied about with a frequency that would seem unnatural in most countries. Mr Aznar depicts his expected victory as an act of "democratic hygiene". Certainly, the recent scandals have brought the political system into disrepute. A recent European Commission survey showed only 36 per cent of Spaniards satisfied with the workings of their democracy, the lowest figure in the EU apart from Italy.

One Socialist minister compares this to an adolescent phase. The country got its democratic constitution just over 17 years ago. "It's the age when you get spots," he says. From next week Spain should start to grow out of it.

The four-gun family in their sights

US gunmakers are on the offensive, says Richard Tomkins

At the John Jovino Gun Shop, deep in the heart of New York's Chinatown, the counter is stacked with revolvers and pistols. Smith & Wesson, Colt, Beretta, Browning - all the big names are there. The only thing missing is the customer.

Mr Frank Ingrassia, the store's manager, says sales have tumbled by between 30 per cent and 40 per cent over the past year or so. A man inclined to understatement, he remarks: "The atmosphere for sales is not good."

Figures for the whole of the US are not yet available, but gun sales have undoubtedly fallen. Earlier this month the attorney-general of California reported that gun purchases had plummeted by 31 per cent within the state last year. Manufacturers say that probably reflects the rate of decline elsewhere.

Statistics like these should have anti-gun campaigners crowing with triumph. But while the gun-control lobby has scored some recent successes in Congress, it has not broken America's love affair with the gun. The real explanation for the sales decline is rather more prosaic: the market is suffering from a glut.

The trouble with guns, at least from the makers' point of view, is that they do not need replacing every once in a while like other consumer durables. Guns last for decades, and seldom get thrown away.

According to the Bureau of Alcohol, Tobacco and Firearms, 223m guns

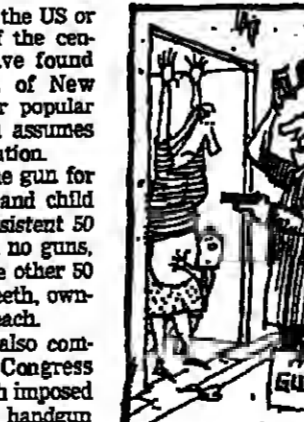
have been manufactured in the US or imported since the turn of the century. While some may have found their way to the bottom of New York's East River or other popular disposal points, the bureau assumes that most are still in circulation.

On that basis, there is one gun for nearly every man, woman and child in the US. But a fairly consistent 50 per cent of households own no guns, with no desire to do so. The other 50 per cent are armed to the teeth, owning an average of 4.5 guns each.

Many of these guns are also comparatively new. In 1993, Congress passed the Brady Law, which imposed a five-day waiting period on handgun purchases. The following year it limited magazine capacity to a maximum of 10 rounds and banned 19 types of assault weapons. Ahead of those moves, there was a frenzy of buying as Americans rushed to beat the legislation: the number of guns made in the US jumped from 3m in 1992 to 5.1m in 1993.

"Are we at saturation point? It's certainly something the industry powers," says Mr Paul Jannuzzo, vice-president and general counsel for the US arm of Glock, the Austrian gun manufacturer.

Mr Jannuzzo says gun manufacturers worry about the growing number of single-parent families "because grandpa or dad isn't taking the kid out into the field to teach him how to



shoot any more". Other concerns include a decline in the number of country dwellers, who tend to have more space for shooting, and growing curbs on the discharge of lead.

Even so, Mr Jannuzzo believes market saturation is still a long way off. Most people who own guns buy more than one, he says, an assertion supported by the statistics. So with an ever-growing variety of firearms on the market, there is no reason why people should not continue to buy more. "I've never been a big collector, but I've got 30," he says. "I consider them an investment."

The American Shooting Sports Council, an industry body, is also

optimistic about the sales outlook. Mr Jack Adkins, the council's director of operations, believes the present downturn is just a natural consequence of the rush of buying that took place in 1993 and 1994. Sales are beginning to show signs of recovery, he says - and ironically, the new gun control laws are helping stimulate demand.

"The 10-round limit on magazine capacity has created a new market niche for what they call sub-compact semi-automatics in larger calibres," Mr Adkins explains. "Prior to the 1994 controls, the most popular side-arm would be a 9mm with a 15, 16 or 17-round magazine. Now these are no longer made, people are stepping up to a more lethal calibre that packs a greater power. Instead of having 15 rounds of 9mm, you will have 10 rounds of .45 calibre or five to seven rounds of .357 Magnum, which is a very powerful round as well."

Yet the anti-gun lobby claims there are increasing signs of desperation in the industry's marketing. Mr Michael Beard, executive director of the Coalition to Stop Gun Violence, says recent advertisements have tried to convince people that they need at least three handguns: one for the bedside table, one to carry concealed on their person when out on the street, and one as a back-up in their car or home.

"It's like the shampoo manufacturers many years ago, when they started adding the word 'repeat' to the

doubled their sales," Mr Beard says. More controversially, the gun manufacturers have also been trying to market guns to women. Indeed, Smith & Wesson, a subsidiary of Tomkins, the British conglomerate, has introduced a range of revolvers under the LadySmith name, specifically designed for women's smaller hands.

"They have been trying to go after the single woman head-of-household to convince her that she needs a gun for home defence," says Mr Beard. "Of course, if they really were concerned about safety, the women's market they would be aiming for would be minority women with lower incomes. But these ads are aimed at upper-income suburbanites - the people least likely to face the problems they claim to be trying to solve."

Concern over this marketing ploy has reached a level where the Center to Prevent Handgun Violence, another anti-gun lobbying group, last week petitioned the Federal Trade Commission to ban advertisements suggesting that ownership of a gun made families safer. It said statistics showed that keeping a gun in the home greatly increased the risks of homicide and suicide.

The gun manufacturers, however, are unrepentant. As Glock's Mr Jannuzzo says: "There are more single mothers now than there ever were, and they are now the ones primarily responsible for home defence. It's probably one of the biggest open markets right now."



# Weekend FT

Patricia Walker on a little-known campaign by Mikhail Gorbachev that sought to stamp out the scourge of the former Soviet Union

## Comrades who tried to dry out Mother Russia

The prime minister of Ireland was waiting on the tarmac at Shannon airport. The jet taxied to a standstill. The boarding ladders were ready; nothing happened. Officials shuffled their feet in embarrassment. But of their guest there was no sign. The Russian president, Boris Yeltsin, was, they were eventually told, "too tired" after such a long flight to descend from his aircraft. The visit - in September 1994 - was summarily cancelled.

Albert Reynolds accepted the explanation with typical courtesy but back in Russia, Alexander Rutskol, the country's former vice-president, began to describe people as "being in a permanent state of visiting Ireland". Every Russian knows what it means.

In spite of concerted efforts by the state to curb alcohol abuse, Russians are still the world's heaviest drinkers.

Vodka was an escape from poverty under the tsarist regimes and from oppression under communism. It remains a huge obstacle to efficiency and economic progress, in spite of a heroic attempt by President Mikhail Gorbachev a decade ago to change the nation's habits. It was, by any standards, an extraordinary campaign, backed by the full might of the Soviet state and its propaganda machine. Although little was known about it in the west, the campaign's ambitions were comparable with those of the Prohibition in the US during the 1930s. And it ended, like the Prohibition, in wretched failure.

This strange and hitherto obscure chapter of Soviet history has been documented by Stephen White, of Glasgow

University's Department of Politics. His study, *Russia Goes Dry*, makes depressing reading for anyone who hopes that the law can control popular addictions.

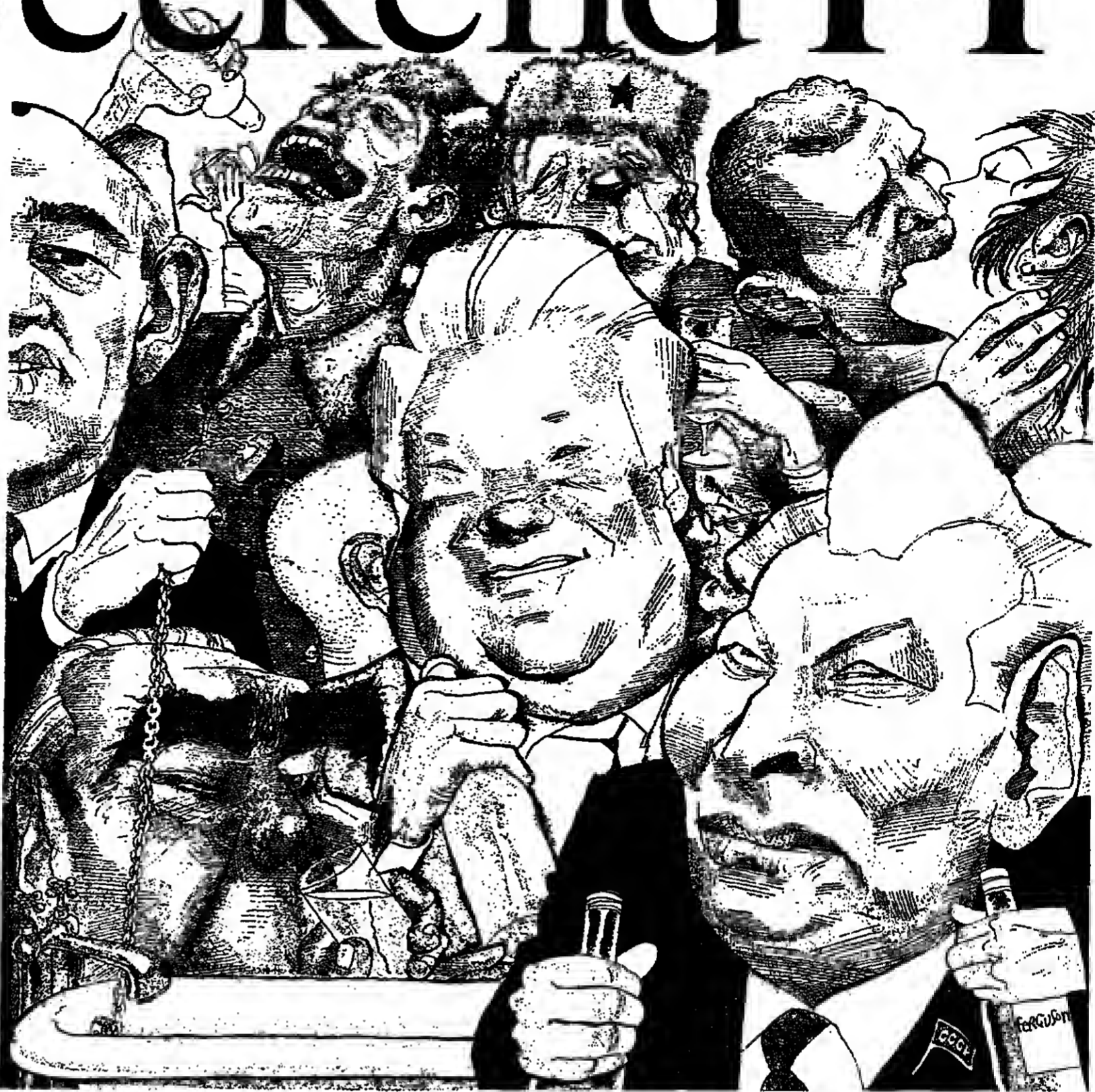
In the case of Russia's anti-alcohol drive, the reformers were battling against an ancient tradition. A thousand years ago, Grand Prince Vladimir advised his subjects: "Drinking is the joy of the Russes. We cannot do without it."

They heeded him so much that Russians are said to have embraced Christianity rather than Islam, partly because it allowed them to drink.

And 500 years later, the Venetian ambassador in Moscow observed that the Russians were "great drunkards and take a great pride in this, despising abstainers". Even in monastic communities, a 19th century English traveller found there were notorious drinkers. In the same century, girls of nine or 10 were made to drink so that they would dance at weddings, according to contemporary reports.

Eulogies to alcohol continued into the present century, the writer, Mayakovskiy, advised his fellow countrymen: "It is better to die of vodka than of boredom." Later, when the government restricted vodka sales, Russians turned to anti-freeze, brake fluid, eau-de-Cologne and shoe polish.

Conscripts in the armed services, who were forbidden alcohol, were sent vodka through the post, concealed in toothpaste tubes or hot water bottles. The crew of a Soviet tank, lost on manoeuvres in Czechoslovakia, sold the vehicle to a local cafe owner for two crates of vodka; and the Mig25 fighter bomber which needed 14 tons



of jet fuel and half a ton of alcohol for its braking system was commonly known in the Soviet air force as the "flying restaurant".

By the 1980s it was clear that unashamed public drunkenness was harming the nation's health and economy. Worst of all, Russia had drunken soldiers. Civilians and the military were prepared to risk lives to satisfy their addiction.

If Yeltsin did get drunk on the flight to Ireland, he was following a long tradition of inebriation among party bosses. Leonid Brezhnev, when he was general secretary, scandalised both the West and East German leaders Helmut Schmidt and Erich Honecker, by insisting that they kept him company in drunkenness, glass for glass. Konstantin Chernenko was the only soviet leader to rival Brezhnev's consumption. He died in 1985,

apparently of cirrhosis of the liver.

The people took example from their masters, revelling in stories of excess. A man hit an Alsatian dog that sprang at him after sniffing vodka on his breath. Another inebriated Muscovite was jailed for five years for climbing on to a dome of St Basil's Cathedral in Red Square. More prosaically, the former Communist party first secretary in Minsk was arrested for attempting to sell 500,000 bottles of vodka on the black market.

Consumption of absolute alcohol quadrupled in the four decades after the second world war: one in seven of the population was classified as alcoholic; heavy drinking was starting in schools; young women were taking to the bottle; and the numbers of babies born with mental and physical defects increased. Drink was

the main cause of divorce.

Alcohol was also blamed for increases in traffic deaths, suicide and drowning, and rises in cirrhosis of the liver, venereal disease, difficulties in pregnancy, infertility and impotence.

All this had a devastating effect on a sick economy. In 1985 *Izvestia* reported that as many as 27m salaried workers had serious problems with alcohol. They were so drunk, or ill from drinking, that at least two days a week they did not show up for work. An investigation into 800 Moscow enterprises found that in the last hour of each shift, only 10 per cent of the workers were still at their posts.

Something had to be done. Gorbachev - urged on by his wife Raisa, whose brother's life had been ruined by alcohol - conceded that alcoholism was deeply rooted in Soviet society.

It could no longer be dismissed as a legacy of pre-revolution decadence. So he launched a two-pronged attack on alcoholism. First, he used the centralised powers of the state to make draconian cuts in production and sales of vodka. At the same time, he orchestrated a huge education and public awareness campaign.

After an encouraging start in 1985, when alcohol consumption seemed to be falling sharply, his plan to "save the genes of the Soviet people" faltered. By the early 1990s, consumption of hard liquor was back to normal. And it is greater today than before the campaign was launched. In

Russia, as in the US in the 1920s, the compulsion to drink overcame all official attempts to stop it.

The speakasies, mobsters and jazz musicians which gave Prohibition in the US glamour were absent in Moscow. There, the anti-drink campaign was run by small-time bureaucrats: grey figures compared with gun-toting anti-heroes such as Al Capone and Mayer Lansky. Moscow had no equivalent.

Russian housewives jostled with moonshiners, queuing for hours in the cold for the trickle of vodka available from official outlets. Demand for

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Joe Rogaly

## Call for a superhero

Government needs miracle men. But where does it leave the poor voter?

Help, this is a case for Superman. Or Batman. Or Sherlock Holmes. Or anyone possessed of powers extraordinary enough to give hope that he - there are few such in the superhero business - can get the villains in charge off the hook.

A fortnight ago the magic name was Ron Dearing. He was called upon by Britain's education secretary and her Labour opposite number. They begged him to invent policies for higher education that they, the responsible politicians, were afraid to articulate. They can trust Sir Ron. He will crunch the universities. He has no elections to lose.

Every government needs a Ron Dearing or two. Most have them. Between the first and second world wars Walter Monckton rose to the top of the swing-to-the-rescue profession. His clients included the Nizam of Hyderabad and King Edward VIII. He was trusted by the main players in the adication drama, although they were at odds with one another. In the 1950s, as minister of labour in Churchill's government, his brief was to preserve industrial peace. His methodology was pre-1970s memories. "On what terms did you settle the dispute?" "Their of course old boy." "You should expect nothing

less of any professional fixer. Fixers fix. That is what they know how to do. Harold Wilson put it best. "There is a time in the affairs of governments," he wrote in 1979, "when deadlock becomes total, and ordinary human agencies are impotent to deal with the situation; the superhuman is invoked and a telephone call is put through to Lord Goodman." This large legal gentleman was the late Labour prime minister's confidante. A miracle man.

He is one of a collection of so-called troubleshooters whose doings are described in a new book by Trevor Smith and Alison Young. Professor Smith, vice-chancellor of the university of Ulster, has a long pedigree in political studies. Alison Young is a researcher. Their other designated firefighters are Oliver Franks, who reported critically on the Falklands but adulated a thimbleful of white-wash, enough to save the government's skin; Edwin and Bridget Plowden, two selfless public servants; Michael Young, founder of the Consumer's Association and much else; and Derek Rayner and Roy Griffiths, who introduced the principles of shopkeeping to British administration.

Call me picky, but the above good folks are or were not all fixers, at least not in the sense of devoting their lives to the

skill of going between disputants and setting for the best deal that arm-twisting and cajoling can produce. That is a useful function, particularly when carried out to such spectacular effect as by Richard Holbrooke in Bosnia, but our heroes and heroines cannot be described as wheeler-dealers alone. They wheeled and dealt, but most of them also worked painstakingly at their

decks, read late into the night, and produced volumes of great-and-good advice.

All were in some sense outsiders. Unlike Lord Monckton, none was both an Anglican and an old Harrovian. The Lords Franks, Plowden and Goodman were respectively Congregationalist, Roman Catholic and Jew; none attended public establishment schools. Lord Young was born of an Irish mother and an Australian father and his mind was trained at Dartington in Totnes, Devon. Lord Rayner was the first managing direc-

tor of Marks and Spencer who was not a member of the Stief family. Sir Roy Griffiths was the first non-family member to reach the board of J. Sainsbury.

Like every successful fixer, they knew a thing or two about making and keeping contacts. You naturally look to people you know and trust when you want help with whatever task you have been given. In return your appointees are expected to scratch your back. If they are decent, they do. As the authors remark of one of them - it does not matter which, it could have been any - "his old boy network more than compensated for his lack of an old school tie"

They are all famous for something or other, notably Lord Plowden, for, among other things, laying the foundations for the Treasury's public spending reviews and his wife for a celebrated, though not universally accepted, report on primary schools. The exiles from Marks and Sparks and Sainsbury introduced contemporary management techniques to British administration and the National Health Service. Lord Franks did just about everything related to diplomacy and politics; Lord Goodman everything else.

It is at this point that my mind wanders away from the

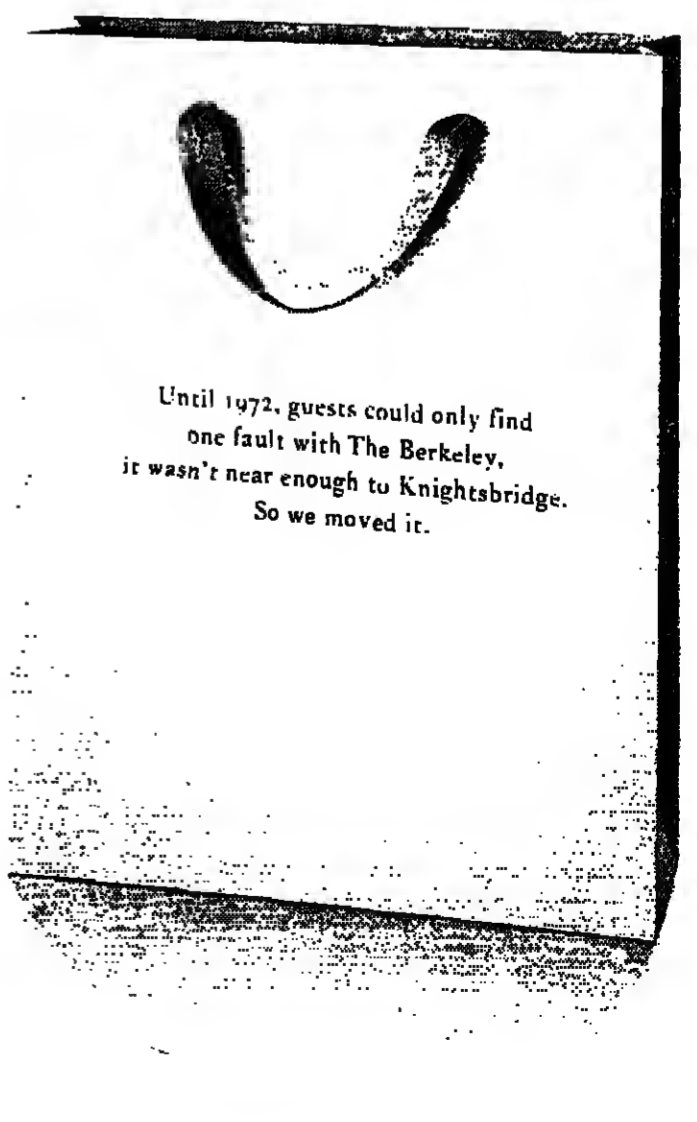
path indicated by professor Smith and Ms Young. They wrap up their account with a discourse on the constitutional implications. Now I am a sucker for constitutional implications. It is very difficult to get me to think about anything else. If Emma Thompson telephoned me right now and suggested that I play James Bond to her Pussy Galore in a remake of the ageing 007 movie I would wonder about the constitutional implications.

On this occasion I must demur. It is true that the arrival of a tribe of management consultants in Whitehall has changed the way things work.

We may also agree that lobbying is a growth industry in London, although it has yet to approach the size of its counterpart in Washington. These intermediaries change the nature of the relationship between us poor ordinary voters and them who govern.

But consultants and lobbyists are a breed apart, separate from the Red Adairs who will always be needed. All governments have had them. They always will. Only Nero made the mistake of not calling in a firefighter. He should have remembered Sir Ron.

Luxury Breaks at The Berkeley range from £110 per person sharing a room (including breakfast). For further details call 01753 6020 or fax 01753 4177. For details of Luxury Breaks at The Berkeley's sister hotels Claridge's and The Sayer, in London, and The Lygon Arms in the Cotswolds, call 01285 25000. Members of The Berkeley Group.



PERSPECTIVES

Science / Andrew Derrington

# Storms brew for the millennium

Solar winds which buffet the earth's atmosphere can have a powerful effect on the planet

When the millennium comes, it will bring storms severe enough to disrupt electric power transmission, telecommunications networks and even radio broadcasts on a huge scale.

These storms will take place not on earth, but in space. The most visible sign to human eyes - even more visible if the lights are extinguished by power failures - will be spectacular and widespread displays of the auroras, the northern and southern lights, as the outer reaches of the earth's atmosphere are buffeted by high energy particles streaming outwards from the sun.

The weather in space, at least in the bit of space where we live, is dominated by the solar wind, a stream of energetic particles spurring outwards from the sun at thousands of miles an hour. About 60,000km upwind of us the particles meet the magnetosphere, the part of space dominated by the earth's magnetic field.

The effect, according to Alan

Rodger of the British Antarctic Survey, is "like a stone in a stream". The wind is diverted around the magnetosphere, compressing it on the upwind side of the earth and dragging it out on the downwind side into a huge tail hundreds of thousands of kilometres long.

The same process generates the auroras. Particles from the solar wind diverted around the earth by its magnetic field enter the upper atmosphere at high latitudes. The ionosphere, as the charged upper layers of the atmosphere are known, "acts like a TV screen for what's going on out there", says Rodger.

As particles from the solar wind

strike oxygen atoms in the ionosphere, they emit light. The light is intensely coloured - most of it is either green or red - but it usually looks white to the human eye because we cannot distinguish the colours of very dim lights.

Unfortunately the solar wind does not blow steadily. "The surface of the sun looks like a pan of boiling toffee," says Rodger. Every so often the toffee bubbles and belches out a cloud of high energy particles that race towards the earth at thousands of kilometres a second, a "coronal mass ejection".

Nobody knows exactly what causes a CME but the events are linked to the occurrence of sun-

spots, relatively cool patches of intensely magnetic material that appear on the surface of the sun. The frequency of CMEs waxes and wanes with the 11-year sunspot cycle. The next peak in sunspot activity will coincide with the millennium.

The sudden shower of particles in a CME wreaks havoc with satellites. "In a storm a satellite can lose power from its solar panels, and get glitches in its control signals," says Rodger.

The charged particles cause stray electric currents in the satellite's electronic circuitry, which can be confused with command signals. In 1994 a storm caused a Canadian television satellite to turn its solar

panels away from the sun. The satellite's batteries drained and it lost power, drifting out of control until its solar panels came into the sunlight again six months later.

The sudden gusting in the solar wind causes huge electric currents in the upper atmosphere, according to Tudor Jones of the Radio & Space Plasma Physics Group at the University of Leicester. The "battery" that drives the atmospheric currents is set up by the movement of the charged magnetic particles in the solar wind around the upper magnetosphere.

The electric fields in the outer magnetosphere drive a current in the ionosphere - about 100km above the earth's surface - which

is also made more conductive by the effects of the solar wind. According to Jones, it is these currents - which can reach tens of thousands of amps - that induce the fluctuations in voltage that bring down power lines.

The currents in the ionosphere will induce a voltage in any long piece of metal. Pipelines are particularly vulnerable. During its construction, the Alaskan oil pipeline used to generate huge sparks. "Now it has a wire running to earth about every 10 metres," says Jones.

Solar storms also affect oil drilling, says Jones. In an oil well it is important to drill several holes that fan out in different directions

and do not interconnect. The drill is steered by a magnetic compass. During a storm the earth's magnetic field can change by enough to send the drill in the wrong direction.

Space weather forecasts are now available\* from the Space Environment Center in Boulder, Colorado, but they are not yet very accurate, particularly in the long range. At present about 60 per cent of storm warnings are false alarms, and about 50 per cent of storms are missed.

To produce better forecasts scientists need more fundamental information about how the solar weather system works. It is hoped that new space missions, like the Polar satellite launched by NASA last week, will provide the space weathermen with something more reliable than a piece of seaweed.

\* Also on the internet at <http://www.sei.boulder.gov>

The author is professor of psychology at the University of Nottingham.

## Minding Your Own Business

# Problems of design ownership

Jonathan Guthrie spotlights a small company in a big store wrangle

The clean curves of the Flexo, a brushed aluminium reading light, have made it a Spanish design classic.

It is so common and so timeless that set designers used it in both the film *Barcelona*, set in 1930s Catalonia, and in Pedro Almodóvar's *The Flower of My Secret*, whose mise en scène is present-day Madrid.

The lamp is appearing in British homes, too, thanks to Jonathan Cahill, a 45-year-old former advertising executive.

But his venture shipping the Flexo to the UK and distributing it through design-led home furnishings shops has suffered a setback: he has become embroiled in a dispute over design copyright with Habitat in a disagreement that highlights the problems small entrepreneurs can run into over design ownership when dealing with big store chains.

It echoes a more highly publicised wrangle, in which clothes designer Lizzy Bruce has alleged that Marks and Spencer infringed her copyright on some swimsuit designs - a claim which M&S says has no substance.

Cahill's first encounter with the Flexo was while he was staying with Spanish friends in Majorca in 1993. "I saw the lamp in a little shop," he says. "I thought it was rather attractive and was also surprised by how competitively priced it was."

"I mentioned this to my friends but they dismissed it with scorn, because the Flexo is such an everyday item to Spaniards."

A year later, Cahill, who is part-Italian, part-Polish and has a passion for all things Spanish, encountered the lamp in another shop, this time while travelling in Andalusia. He bought one as a sample and began to think seriously about trying to import it to Britain.

He had the advantage of considerable marketing experience in what was to turn out to be a sales-led exercise - trying to persuade the right sort of shops to stock his product. He worked for 17 years for advertising agencies including Saatchi & Saatchi, and Davidson Pearce.

What he lacked was practical experience of electrical wholesaling. Having found a Barcelona-based manufacturer prepared to supply him at reasonable cost, he discovered that the Flexo failed British safety standards.

It cost Cahill almost a year of delays and £1,000 in laboratory testing fees before the lamp was suitable for the UK market. Luckily the testing house that gave the Flexo the initial thumbs-down was an invaluable source of advice on modifying it. The entrepreneur took the changes back to his contacts in Spain, who agreed to supply him with units made to the changed specification.

By autumn of 1994 the British version of the Flexo was ready to be marketed. The biggest outlay turned out to be on the stock itself. The smallest order the manufacturer will accept is £3,000. Cahill reckons that Z - the company registration he took over from his wife Dina, a self-employed advertising consultant - has around £10,000 tied up in stock at any one time.

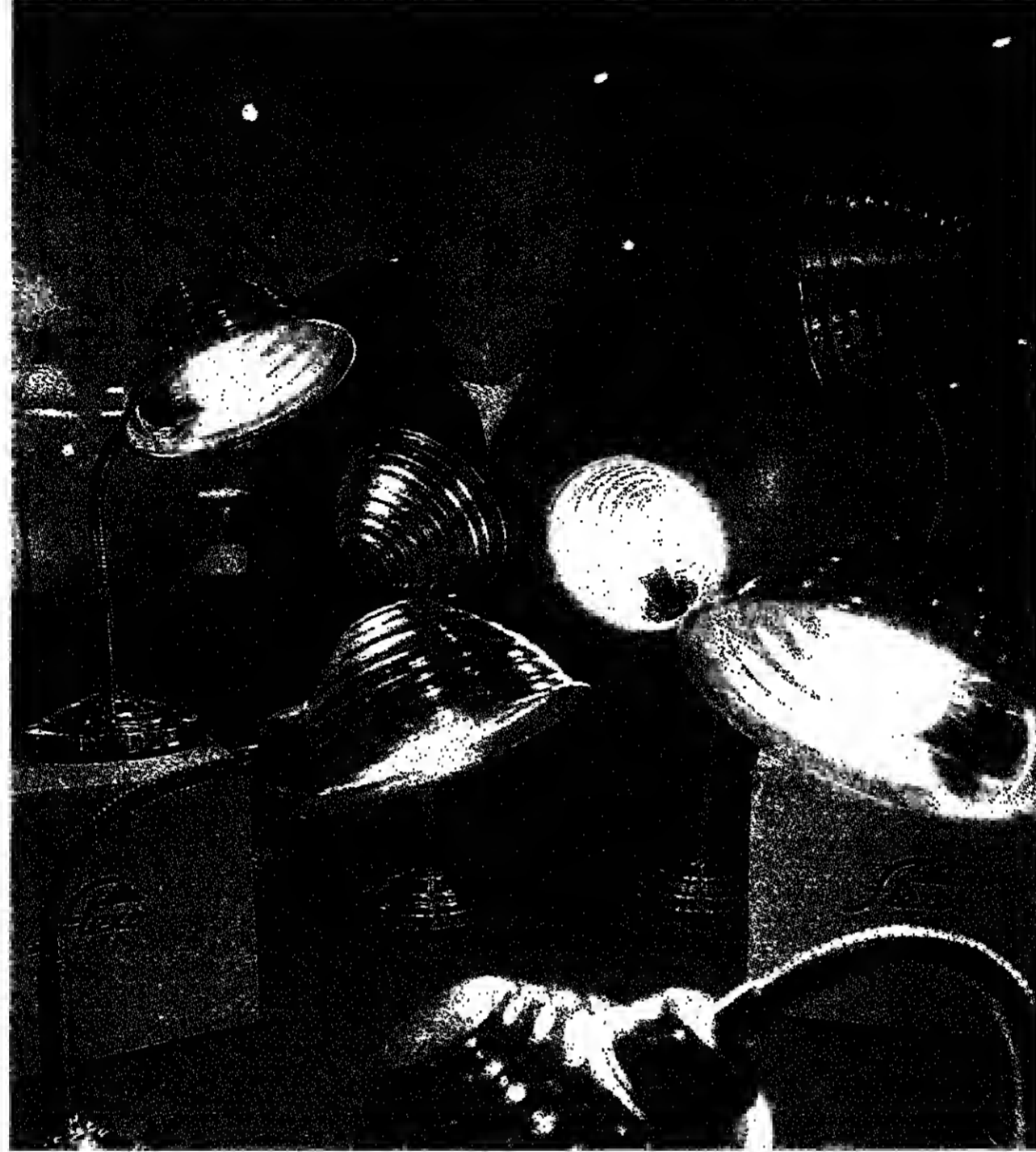
Cahill finances this outlay, and all Z's other expenses, from taxes, his savings and an £8,500 overdraft facility from Lloyds bank.

Cahill found distributors for the lamp by driving around the country with a boot full of samples. He would stop at likely-looking shops where he would convince the manager to buy a few Flexos. When the lamps sold, these initial contacts led to regular orders.

Z has more than 60 outlets around the UK. "My whole strategy - with the exception of Habitat - has been to avoid chains and target individual shops with strong profiles," Cahill explains.

"The first shop I started with was the Conran Shop. Then I sold to other outlets in London like Purves & Purves and American Retro."

The Flexo's history as a design classic made it easier for it to win shelf space in fashionable outlets - it dates from 1925 and the Design Museum owns a version. Cahill compares the Flexo to the Zippo lighter - eternal but unpretentious.



Jonathan Cahill, Z's managing director, with the classic Flexo table lamps

The business has grown quickly. The one-man company had estimated turnover of more than £45,000 in 1995, its first full year of operations in the lamp market. This equates to a break-even, with the promise of profitability this year.

Cahill would be pleased with his achievement were it not for the disagreement with Habitat. Z's first serious discussions with Habitat took place in November of 1994. The retailer wanted to sell the lamps at £20 each, against a usual retail price of £21.95.

He said the wholesale price it was prepared to pay Z was too low to give Z an acceptable margin over the price it paid its Spanish manufacturer. Also, Habitat insisted on being the sole stockist of the Flexo in the UK. Cahill rejected the offer.

In February last year Habitat

contacted Z again. This time it offered the company a better price, as well as dropping its demand for exclusiveness. A deal was struck.

The relationship went well until October, when Habitat cut the retail price of the lamp to £15 from £20. A month later Habitat's price tumbled to £10 a unit, just as Z stopped supplying the chain and launched a £2,500 advertising campaign for the Flexo on London buses.

In the same month the outlet began to offer lamps it initially called the Flexo, but with a red or yellow painted finish, rather than the original brushed aluminium. By December it began stocking a brushed aluminium version of the product too. It called this the Felix after a letter of complaint from Z's solicitor. Habitat eventually gave the painted lamps the same name.

Cahill says that the appearance on the market of lamps very similar to his product, but at half the price, has damaged his business: some distributors including the Conran Shop temporarily removed the Flexo from their shelves. Sales have dropped, Cahill claims.

He now plans to fight Habitat in the courts. A complicating factor may be that the Flexo is a generic product in Spain, which anyone can manufacture and sell there.

Matthew Griffiths, media relations manager at Habitat, comments: "We appreciate the difficulties faced by small businesses. However we question the validity of Mr Cahill's design registration. Habitat stopped using Mr Cahill's logo and the Flexo name when we were told it was copyrighted in the UK."

By sourcing the light direct from a Spanish manufacturer rather than through Mr Cahill

Dispatches / Clive Aslet

# Flight of fancy to Cuba

Which airline truly deserves the accolade of the World's Favourite? It may have been usurped by the UK's national carrier but, following a recent visit to Cuba, I would award it to Aerolíneas Argentinas.

While other airlines have cultivated a many-knows-best attitude towards passengers - you only have to look at the Mary Poppins hats worn by the British Airways stewardesses to see what I mean - beloved Aerolíneas Argentinas preserves a delightful informality. People sleep full-length, hats over faces, outside the departure gate.

There is no fuss about numbered seats. Even the safety announcements present regrettable necessities in their most positive aspect. Most carriers don't insist that the illumination of the no-smoking sign means that cigarettes must be extinguished. On Aerolíneas Argentinas, it is the other way round: soon as the no-smoking sign goes off, passengers may enjoy the tobacco product of their choice. Zestful, that is the only word for the spirit which pervades this remarkable organisation. Two airline employees broke into ironic cheers after our rather bumpy touch-down at Havana.

The day after I left - by the paradoxically less colourful Carnival Airlines - the Cuban military shot down two light aircraft that had strayed into its air space. My journey to Cuba was not terminated as abruptly, but almost every other obstacle was thrown in its way. I could not travel on the relevant Thursday, and Thursday is the only day on which a direct flight from England - Air Cubana, from Stansted - leaves the country. I had thought it would be relatively straightforward, indeed agreeable, to fly Iberia, changing at Madrid.

This would have meant spending a night in Madrid, but that is not such a hardship: the Ritz, Madrid, always bears revisiting. However, every flight from Madrid was full. So it was British Airways to Miami, overnighting somewhat less glamorously at a Day's Inn.

Why, you will ask, did we not drive down to the evocative Florida Keys? In theory, we might have done. But it is one of the curiosities of the Havana flight that, while the aircraft does not leave until noon, check-in takes place between 7am and 7.30am.

Another, incidentally, is that, because of the US trade embargo, most people cannot take it, journalists being an exception. Even for bearers of that awe-inspiring credential, a British press card - let me not betray astonishment at the degree of respect it is accorded in Cuba - the queue at the immigration counter is interminable. Fortunately, a video screen shows Cuban light entertainment, of which the high point is a man setting fire to his trousers.

The journey back lacked some of the old Aerolíneas Argentinas bravura. We left Havana late, and the pilot radioed ahead to tell British Airways to expect us. To an extent, this had the desired effect. People noticed. "We heard you radioed from Havana," the Miami check-in staff said, rather as though we had just been orbiting the moon. But we still missed the BA flight by a whisker. Or rather we did not miss it - it, so to speak, missed us.

While we were waiting dolefully in the stand-by line, in full knowledge that, this being the end of half-term week, every returning flight from Miami for the next two days would be full, we heard the last remaining passenger for the flight that we should have caught - being paged. We remarked to Fred, the power-crazed functionary, whose duty it was to inflict torture on harmless wayfarers, that our outward flight had been delayed for two hours because the pilot had waited for connecting passengers, then missed his take-off slot. That, replied Fred with a wistful, sadistic glint in his eye, was then: this was now.

I was lucky. Unexpectedly, a seat did become available on the last flight of the day. My young baby at home took precedence over my colleague's pregnant wife, and he nobly ceded it to me. Then, for him, began an odyssey via New York: not, in February, the best place to visit when you have only packed cotton trousers and Hawaiian shirts. Oh, we sigh, for the old-world charm of that most obliging, most debonair, most cordial of airlines, Aerolíneas Argentinas, we love you.

Clive Aslet is the editor of *Country Life*.

Continued from page 1

sugar and yeast soured (with more long queues) for illicit home brewing. The public cursed a regime which, within six months, had reduced the number of liquor stores by half and doubled the price of vodka.

During the campaign family business flourished. In Kiev one household admitted to brewing 40 litres of samogon (illicit brew) a day, using 150kg of sugar. In a back room police found 20 vats of homebrew, two huge stills and two large cupboards full of sugar. Another family was hiding half a ton of granulated sugar for its own use and for sale.

Total prohibition on the US scale was never seriously considered. The Soviet regime planned to use threat, punishment and re-education to reduce vodka production gradually, eliminate drunkenness from public places, and gener-

# Comrades who tried to dry out Mother Russia

ally sober up the country.

But Russia's leaders might have learned from what had happened in the US. Americans were affronted by the infringement of their liberty. They ignored Prohibition and distilled their own spirits from bathtub fermentations. Thousands died from drinking moonshine, industrial alcohol illicitly converted into gin and whiskey for sale in the speakeasies.

By 1929, there were 32,000 speakeasies in New York, double the number of bars before Prohibition. The humorist, John Kendrick Bangs, said: "Although man is already 90 per cent water, the Prohibitionists are not yet satisfied."

The liberal urban classes and businessmen lobbied for an end to Prohibition against the opposition of rural fundamentalists and a vociferous "dry" lobby.

In Russia, too, leading figures were at odds with one

another. Yegor Ligachev, Politburo member and a teetotaler, said the Communist party should be dried out before the country was tackled. He told the Central Committee in the campaign's early days that 199,000 party members and 370,000 Komsomol members had been before the authorities because of alcohol abuse.

Yeltsin, then climbing the political ladder, damned the campaign as "amazingly ill-conceived and ridiculous". (But later, as Moscow party secretary, he embraced it with enthusiasm. In 1998, nine out of 10 vodka shops in the capital were closed and alcohol consumption initially fell by 40 per cent.)

The campaign was launched in spite of objections from the party's elite. Alcohol was banned from public banquets and receptions and from private functions such as weddings. Party officials who drank would be dismissed; drunken

workers would lose bonuses and holiday entitlements. Mention of alcohol were to be removed from public performances of operas and plays. The works of Omar Khayyam and Pushkin were to be censored.

The Ministry of Internal Affairs, the Soviet Prosecutor's Office and the Ministry of Justice were instructed to tighten the rules governing trade in alcohol and, hardest of all, to eradicate home brewing.

A front organisation was established. The All-Union Voluntary Society for the Struggle for Temperance (VDOB), a people's army of salvation, attempted to shape public opinion, setting up leisure facilities, counteracting pro-drink "propaganda" and helping in the fight against home brewing. Within two years the VDOB had 14m members organised into 450,000 branches throughout the Soviet Union. The death penalty was intro-

duced for murders committed under the influence of alcohol and show trials were held for habitual drunks at the factories where they worked. Vodka distillers were converted to the production of fruit juices and confectionery; the prices of vodka, cognac and wine soared; homebrewers were put on trial.

After 18 months, wine and vodka consumption was down by a third as was absenteeism. Crime had fallen by a quarter and the death rate was down. These successes did not last

long, however. Even during the successful phase, conspicuous drunkenness was still evident. Journalists visiting the central Russian region of Yaroslavl found a café full of "flabby, pale-faced people, come out to clear their heads of a hang-over". And in Ukraine and Bryansk there was no significant decline in drunkenness.

In spite of the threats, home brewing became as common in high-rise city dwellings as it had long been in the countryside. Baths, buckets and kettles were used. If sugar could not be bought, scarce grain, potatoes or fruit were substituted. The number of arrests for illicit distilling doubled in 1987 compared with the year before, to reach 440,000.

By 1988 the illicit stills were producing 40 to 50 per cent more spirits than the state plants.

The campaign effectively collapsed in October 1988, when the Central Committee said

that, while "reaffirming the struggle against alcoholism... every effort must be made to eliminate queues". In plain language this meant that official production and sales of vodka was to be increased.

By 1992 Gorbachev was ridiculing the idea that he had ever been associated with the campaign. "They tried to make an abstainer out of me," he said.

Stephan White thinks the campaign was probably doomed from the start. In spite of the bogs powers of the state, the local bureaucrats, who were supposed to enforce the measures, often evaded central directives. Court sentences were often not enforced. Nobody, for example, was responsible for removing the offspring of persistently drunk parents to children's homes, after an order had been made. Many, instead, became school-age drunks.

The difference between "gen-

**Total prohibition on the US scale was never seriously considered**

Sharin  
a giggl  
with Li  
Leesol



PERSPECTIVES

Lunch with the FT

Sharing a giggle with Lisa Leeson

Lucy Kellaway meets the wife of the man who broke the bank

I doubt if Lisa Leeson was much looking forward to our diary engagement. In her diary for February and March there are 36 dates with journalists, each one a fresh opportunity to be asked how on earth she failed to notice that her husband was bringing down Barings Bank.

There she was, 10 minutes early for our lunch at Ajimura in Covent Garden, killing time in a nearby Japanese shop. Also early, I was doing the same. "Lisa?" I said, accosting a pretty blond woman in a fur hat and smart brown coat.

She gives me a nice smile; she looks carefree, relaxed. If a stranger had to guess which one of us had a husband in Changi prison, they would certainly not have thought it was her.

"The questions people have asked me," she exclaims in broad estuary English as we sit down at our table. "One girl said to me: so how do you feel about not having sex? You have to be quite thick skinned doing this. I try to be enthusiastic all the time."

That must be hard work, I say. She shrugs. "I'm just a go-with-the-flow person. I don't argue. If someone says we're going to go to the Crown pub, I'm like, fine. I don't say I don't like the Crown."

"Can she stop smiling once she is back at home with her mum and dad, I ask. "We are positive thinking people. I'm usually fine at home. Sometimes I get a bit tearful," she gives a stage boo hoo, followed by a hearty laugh.

She casts a professional eye over the menu and orders green tea and the set sashimi lunch. I order the same. "Working in a tea shop you get sick to death of eating sandwiches," she says pleasantly. Usually she has toasted ham, mustard and tomato; she can't have dairy products because of her eczema.

"When it happened," she says, bringing up the subject herself as I had still not mentioned it, "I was covered in eczema." That is strange; according to *Rogue Trader*, she showed no signs of stress. When she found out what her beloved husband had been up to, she was calm, phoned her mum and had a laugh with her over the phone.

"See, when people ask me questions about it, to tell you the truth, I can't really remember," she says. "So much was going on, it was like a whirlwind. We didn't eat. We didn't sleep. I found the picture of her in the book altogether implausible. She is presented as the perfect wife: sexy, lovable, practical, and every reference to her comes with a

sickly profession of her husband's love. "Do you think so?" she looks doubtful. "I read the book and feel negative about all the bits about me. What I really hate is that people know about me."

We start to discuss her life now, which sounds uproarious. Her mum and dad are "a good laugh", as are all her mates in Maidstone. She even cracks jokes with her husband during the 20 minutes a month she gets to see him through a plate of glass. And after these visits, the girls in Singapore throw a party for her and they all have "a good giggle".

With no self pity she tells me that the only thing she has to show for her married life is a lock of Nick's

One of the myths that seems to bother Lisa Leeson most is that she and Nick led a glamorous life

hair - the liquidators have everything else. She takes a crumpled piece of peach loo paper out of her handbag, and I inspect the single curly hair in silence. "I picked it off his T-shirt in Frankfurt. Nick can't spare more than one." More laughter.

As she deftly dips a bit of raw fish into the soy sauce, I ask about Stephen Fay's rival book about the Barings collapse, which presents Nick Leeson as more rogue than trader. "I'd rather not read it," she says, and a vacant look comes over her eyes as I spell out the allegations. It cannot be easy for her defending him. After all she has never even had a real discussion with him about what happened.

Suddenly she announces that she would like some green tea ice cream. "It tastes just like a cuppa tea," she explains. Unfortunately they do not have it, instead we are each presented with half an orange. Curiously, one of the myths that seems to bother Lisa Leeson most is that she and Nick led a glamorous life in Singapore. With pride she describes the mundane monotony of their evenings together. "He came home from work. I'd say: Hi honey, how's your day? He'd say: fine. He'd have a shower and lie on the sofa, have a packet of crisps and a cup of tea and wait for me to dish up dinner. And the rest of the night Nick's lying there watching a Chinese film with Malaysian subtitles and I'm reading a book."

"The thing that annoyed me about Nick was the way he was always switching channels," she goes on. In her place, the thing that would have got to me was the way he was always losing millions and neglecting to mention it to his wife.



Lisa Leeson: 'I'm usually fine at home. Sometimes I get a bit tearful'

But of course I don't say that. Instead I suggest that maybe she has not yet come to terms with what has happened to her.

"It hasn't really sunk in - I've just been carried along on the wave. All I want now is a full-time job so I don't sit around thinking about it."

I settle our modest bill and ask her what she made of the meal. "It was OK, I liked the salad, but the fish wasn't very tender. That was putting it mildly. I say that some of my raw fish tasted aged. She laughs: "I'll call you tomorrow and ask if you are in the same state as me?" We have a giggle. She thanks me, and I wish her luck.

Myself, I would like to see her on the spot. "If I get the job, I want the other girls to know me for me. Not for Lisa Leeson."

Either way, she would make a terrific stewardess. She has the looks, the smile, and keeps her head in a crisis. She can hand out scones and cups of tea, and she loves travel. If I were Richard Branson, I would hire her on the spot.

Truth of the Matter

Conscience: a luxury we cannot afford

Hugh Dickinson believes the Scott report raises issues of responsibility related to the bombing of Nagasaki

It rumbled out of a bright morning sky like a huge ball bearing. No one saw it. Some may have heard the drone of the aircraft up near the stratosphere from which it had been released.

The men in the aircraft could not see it either, but they were close enough to count the seconds. Then, instantly, thousands of children were incinerated, their mothers vaporised, their aunts and uncles turned to ash on the searing wind.

They were lucky. Others further out were flayed alive and stayed alive for days, weeks, months in agony. Others died by inches over decades.

They called it Fat Boy. Confy name that. A bit of a joke. Distancing. The aircraft crew sped into the distance, too comfortably warm up there in their silver tube, slipping across a serene sky. Calm and guiltless in their distance from the firestorm they had caused.

But were they responsible for those 100,000 deaths in Nagasaki? Surely not.

Responsibility creeps remorselessly back up the chain of command. The senior officers who gave the orders, the scientists who devised the dreadful weapon, the politicians and strategists who mobilised the resources to produce it - don't they bear a greater burden of responsibility?

The president of the US had a little notice on his desk "THE BUCK STOPS HERE". But it doesn't really. The people had elected him to carry and to represent the will of the whole nation. He did it for them. They were too dispersed and too distant to own their action. So no one owns it.

The further we are from the physical and personal impact of our action or the human effects or our decision, the less moral responsibility we feel.

The longer the chain of command the more moral responsibility gets dispersed and reduced. A special technical jargon is devised to sanitise the human cost with its grief. All those moral agents down the line passed the impersonal decision along because the system has its reasons alongside which individual and personal integrity seems an irrelevant luxury - or, worse, a kind of treachery as

Oppenheimer discovered to his cost. Then the point comes where the system may be guilty of an appalling crime against humanity but no individual feels obliged to own the consequences of his actions.

Only one did. One of the men in the aircraft which dropped the atom bomb on Nagasaki committed suicide when he saw the photos. If the whole chain of command had been forced to stand and watch the children dying would they at least have wished they had not done it?

Or must we surrender our conscience to the state - which has its own cruel reasons but offers to purge our consciences for us with public immunity certificates?

The analogy may seem a bit extreme in the backwash from the Scott inquiry, but extreme cases often bring out underlying principles with greater clarity.

The obscussions around the responses of politicians to Scott's report are partly deliberate, but

partly due to the interweaving of a number of related but actually distinct strands of morally questionable actions.

The primary issue is not about the deception of parliament and the public. Of course no rational and impartial person can fail to agree with Scott that such deception did take place (whether "duplicitous" or not is of minor semantic moment when such large issues are at stake).

Commentators are quite right to say that such deception and contempt for truth undermines the democratic state. That is serious enough.

But the question behind it is a wider one about the integrity of those who claim reasons of state for actions which were manifestly incompatible with the standards of morality and decency to which most British people still hang grimly to in the face of the eroding winds of cynicism and hypocrisy.

The British people have a deep unease about the dependence of so much of our economy on the arms trade

Is personal integrity so dispersed in the corporate miasma of expediency that no one need feel a qualm anywhere along the long chain of policy decisions which resulted in a cluster of outcomes which most people find abhorrent?

It is manifestly clear that ministers and civil servants knew that the public would not stand for the rearing of an odious dictator who had been systematically gassing Kurdish villagers.

It is equally clear that the British people have a deep unease about the dependence of so much of our economy on the arms trade.

It is clear that some people were prepared to see innocent men convicted. Reasons of state can only be justified retrospectively when the secrets are out and the public perhaps reluctantly agree with the decisions made in their name. In this case they do not agree.

But the personal question that haunts me is what do individuals really feel when they look down the line to the human cost of seemingly expedient decisions, political or economic, to which they have been party?

The tobacco trade kills directly or indirectly 25,000 of our friends and neighbours each year. What does it feel like to contemplate the human outcome of one's daily work making cigarettes? Or landmines?

"What's your job, Daddy? What do you do all day?" "Well, son, what I actually do is make little gadgets to blow the legs off little boys just like you."

"Oh, do you, Daddy? How clever of you."

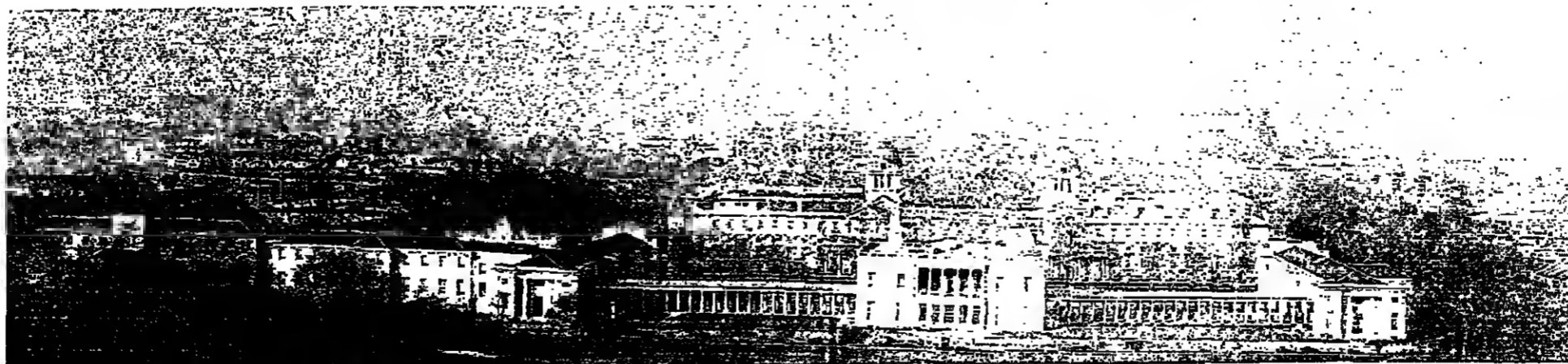
Hugh Dickinson is Dean of Salisbury.

Versailles on the Thames

Gerald Cadogan asks what is to become of the Royal Naval College at Greenwich

Now that the old gasworks at Greenwich on the south bank of the River Thames in London has been chosen to host the Millennium Exhibition, it is high time to resolve the other important issue about Greenwich. What is to happen to the Royal Naval College, the grandest set of baroque/classical buildings in Britain and an icon of the country's naval history?

The trustees of the National Maritime Museum have proposed that the government entrust the RNC buildings to a new Royal Greenwich Trust. Will it? The effects of this decision will last longer than the two years' term of the exhibition, although that and the opening of the Jubilee Line extension will give a huge and, it is hoped, lasting boost to the local economy.



The National Maritime Museum (left), Queen's House (front centre) and the Royal Naval College, Greenwich

Michael Portillo as defence secretary. After the public furore at his proposal last September to sell the RNC, he has enrolled an advisory committee under Lord Faringdon. Other members include Dame Jennifer Jenkins, Lord Rothschild and Sir Jocelyn Stevens. Sir Christopher Wren planned the Greenwich buildings on an axis that runs from the river through the Queen's House (by Inigo Jones) and up the hill of Greenwich Park. They unite monarchy - since Greenwich was a royal palace -

with British maritime tradition in a piece of architectural heritage that rivals Versailles. Not surprisingly, Greenwich is a candidate for World Heritage status. A decision is needed now. Time is short. In 18 months the RNC will be gone, on its way to the new combined services staff college at Camberley. Fortillo commissioned Knight Frank to market the buildings. Its brochure asked for proposals by November 15, more than three months ago. And what was the result?

Apart from proposals from the US and east Asia, the government has been left with the two applicants which had been there all along - the National Maritime Museum and the University of Greenwich. "It didn't make much commercial sense," says museum director Richard Ormond, "to go through the whole marketing exercise."

The University of Greenwich, which began at Woolwich as the second polytechnic in the UK and is now split across 20 sites from Roehampton to Chatham, proposes using much of the RNC for its business faculty and central administration, and adjacent buildings for a library, catering, computing and students' quarters.

Responsible directly to parliament, it would meet the key concern at Greenwich of conserving - and enhancing - the national heritage and history. This imaginative scheme would provide the strategic planning that a place of such importance needs. The university would still use much of the space, but the RGT would free it of the non-core activities of running a tourist site and finding the money to maintain the buildings. There would also be space for the museum's Mari-

time Research and Information Centre. The handsome late 19th century Pegys Building, near Greenwich Pier, could house a visitors centre, and provide room for the Maritime Trust, whose flagship Cutty Sark stands in drydock next to the pier. The public would have full access to the Painted Hall and Chapel, except when Greenwich reverts to its old ceremonial use as the place to receive foreign heads of state. The Painted Hall can also be let for income-yielding corpo-

rate events, and the RGT lease accommodation now used by naval staff as flats. "Clearly the nation wants to keep Greenwich," says Ormond, as the fierce reaction to the idea of a sell-off has shown. It will need money, but less than is needed for the exhibition. Running the RNC costs about £2.7m a year, of which £1.2m comes from the Department of National Heritage for maintenance, while the Ministry of Defence pays around £800,000 for interior costs and a further £400,000 as rent to the secretary of state for defence (in his capacity as the sole trustee of the Greenwich Hospital, which is the freeholder). The RGT would start fund raising, but still expects the government to contribute to the external maintenance of the buildings and the interior of the Painted Hall and Chapel.

To recognise the navy's part in ensuring that Britons will never be slaves, the government could supply a dowry, as it did for the naval dockyard at Chatham in Kent. But the National Lottery must be the obvious source for initial funding for the RGT, which may need £25m. Saving Greenwich for future generations is an ideal way to spend lottery money through the National Heritage Memorial Fund, and ensure that the buildings are still there when the Millennium Exhibition is just a memory.

FASHION

# A new, best friend takes the pain out of shopping

Avril Groom meets three personal advisers and their clients who benefit from the professional hand

Long ago when life was simpler, unconfident shoppers took along a companion to help them choose. Male partners were reckoned to be less reliable than female friends because they tended to say yes to anything provided it was within the budget and thus shortened the agony of the shopping trip.

Women companions had their drawbacks, too, such as an unconscious sense of rivalry which stopped them approving a really stunning outfit, or an inability to be objective.

Nowadays your "friend" is totally objective, because she is a professional. Along with the personal trainer and the personal therapist comes the personal shopper. A good one could save you lots of money by advising the need for the other two to accompany you - her careful choice of clothes enables you to know that you can rely on her to make you look your best and save you from mistakes.

Today's personal shopper is not just there to hard-sell you clothes in the name of her store. She may do anything from helping you to reorganise your diary to getting a new plug put on your toaster. She may not even be attached to a department store.

"Lifestyle organising" and personal shopping is now a big and competitive business. It relies on building up a long-term relationship between adviser and customer.

One visit to a personal shopper may solve a particular problem, but only multiple visits will take you to the point where your adviser will even shop at a rival store if she knows it has the essential accessory for an outfit you have bought from her.

Choosing the right adviser is crucial to making the most of the service. Freelancers are perhaps best for those who want more emphasis on whole-life reorganisation than clothes. Susie Faux's Wardrobe has a nutritionist, beautician, hairdresser and shiatsu massage to help mould the working image into something in tune with a coolly modern look.

Department stores are generally more conventional, and are perhaps a good place to start. We spoke to three of the best-known exponents of this essentially 1980s art, and to a client of each.

The last thing Carole Caplin will do is suggest what clothes you should buy. Before then she will want to advise you on a healthy diet, put you on an exercise regime, maybe even review the way you organise your life to make it more efficient and less stressful.

Trained as a dancer and exercise teacher, Caplin is now a freelance "lifestyle consultant" and her holistic approach has won her high-flying converts among businessmen, lawyers and politicians.

Her methods have evolved after she dealt with her own dietary and emotional problems, which seem almost endemic to a dancer's or singer's life. "Everybody, but espe-

cially women, is under enormous pressures now," she says. "They need help in running their lives so they can be at their best. Looking good has to come from inside. As you benefit from a better diet and more regular exercise, your skin improves and your eyes sparkle, so you need different - usually less - make-up. Extra confidence may mean you want to try more fashionable clothes and you may also lose weight or tone up."

Caplin also has experience in fashion and keeps tabs on designers whom she feels are right for her career-oriented clients. But, she says, "whether an outfit is the right colour or proportion for you is far more important than whether it is fashionable."

She demands some commitment from clients - an initial consultation in her spacious north London house, all soft lights and hand-painted murals, followed by a diet

**I've tried a new hairstyle and I know how to wear clothes that make the best of my good points'**

plan and at least two one-to-one exercise sessions a week. Once results appear she may go on to the outer trappings of hairstyle, make-up and clothes.

Caplin is small, perfectly formed and pretty, enough to make any client in need of a lifestyle rethink feel thoroughly inferior. She is also extremely friendly and informal, the sort of woman other women confide in. Clients soon relax; many become friends.

This is what happened to Claire Lewis, who heard about Caplin from a friend of her husband's. After several years out from her career as a marketing executive to have children, she wants to go into Labour party politics, a tradition in her family, and is receiving encouragement from friends among London's New Labour luminaries.

"But I really was 'just a housewife'," Lewis says. "I had put on weight, lost my edge and had no confidence at all." Caplin's regime, she says, has made all the difference. "I feel more energetic. My skin has improved. I've tried a new hairstyle and I know how to wear clothes that make the best of my good points, such as my long legs. She has introduced me to designers like Ronit Zilkha and Karen Millen who make elegant, simple and businesslike clothes which are right for what I hope will be my new career."

Although transformed, she does not intend to stop consulting Caplin, who keeps the momentum going and, anyway, they enjoy

being in each other's company.

Store consultants naturally take a more practical, sales figures-related approach, yet here too relationships flourish. Gabriella di Nora was for nine years the doyenne of personal shoppers at Harvey Nichols. Eighteen months ago she moved to Selfridges - a potent weapon in London's store wars, and she already has a loyal following.

Tall, dark and efficiently elegant in a perfectly co-ordinated way, she can be intimidating and admits to occasionally "bullying clients into something if they're dithering and I think it's right. But I'll put them off if I think it's not." She is professional and has a Latin warmth which appeals to clients who soon realise that, once she gets to know you, she will do anything for you. "I never stop shopping for my best clients," she says. "Sometimes in Italy I see a pair of shoes that I know will be exactly right for someone. Usually I know their size, too, so I buy them. Clients trust me." She starts with a detailed chat in the pleasant but slightly cramped personal shopping department. "I never choose clothes without meeting someone," she says. "Even if you have a brief you need to see what shape they are, how they walk, and find out about their lifestyle."

Sometimes this extends to dinner together. Sara Richardson, a director at Flemings Investment Management, has been a client for 10 years. "I like clothes without being fanatical [about them] and I need to look smart for work," she says. "I know the colours I like - a range based around burgundy or claret - but Gabriella puts it together with much more flair than I could. She'll suggest a scarf to soften a suit and encourages me to go a bit further fashionwise."

Richardson has little time to shop, so di Nora calls her when suitable outfits arrive from her favourite ranges, which include Georges Rech, Cerruti and Calvin Klein. Richardson mainly uses the service for her working wardrobe but has also done so for specific occasions such as a formal dinner.

"Then we usually pick out something that I wouldn't have thought of but which I end up wearing a lot," Richardson has a weekend life in the country and rarely shops for casual clothes. She says: "Gabriella has shown me how, by keeping to the same colour palette, some of my work clothes can co-ordinate with sweaters and so on for the weekend. If I am at all chic, it's due to her. If I asked her she'd even do all my Christmas shopping."

At Harrods, Julia Eccles has presided over the Executive Suite for nine years and admits it has outlived its title. "In the 1980s we looked after working women in a rush who just wanted to spend. Now people of all sorts want a more careful service, value for money and lasting, versatile clothes," she says.

Lively, friendly and statuesque but always chic in a businesslike way, Eccles is her own best advertisement. Any advice she gives on diet and exercise comes from heart-felt experience. "When I lost some weight, so many clients asked how I did it that I produced a leaflet," she says. "But sadly my resolve didn't last."

In such a large store, clients vary from passing trade wanting help with one special-occasion outfit to regulars who put together a whole wardrobe each season. Far from lacking confidence, the latter often make most of their own choices, looking to Eccles for reassurance and the well-chosen accessory.

The suite has big, airy change-rooms where clients can relax with a drink and snack. Some even spend all day there. This is an attraction for Janet Weitz, who has her own marketing company and a highly organised life.

"I have a hectic schedule," she says, "but at the beginning of each season I take time out to come in and work through the outfits I need. I have a good look round, so my choice is the starting point, but Julia may know of something better, and she finds the extra pieces and accessories while I relax here and try on. That is where her expertise counts."

Weitz finds this the most "cost- and time-effective way of shopping" and sees the relationship as a profitable partnership. "I trust Julia's advice because she knows me and my lifestyle," she says, "but I have strong views of my own, too. I think we normally come to the best conclusion."

Carole Caplin (0171-431 0344) charges from £10 an hour. Department store shopping advice is free. Gabriella di Nora is on 0171-918 9596. Julia Eccles, 0171-581 4874.



Home match: Claire Lewis, wearing a grey pinstriped light wool trouser suit from Ronit Zilkha, Brook Street, London W1, with Carole Caplin at her home base



Check out: Sara Richardson, in a claret wool suit by Cerruti, £449, and silk chiffon scarf by Vittorio e Rosato, £75, at Selfridges, with Gabriella di Nora



Trying time: in Harrods' Executive Shopping Suite Julia Eccles approves Janet Weitz's choice - red wool jacket by Miss V and black dress by Gennyway

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HOW TO SPEND IT

# Frockmeister to the ladies who lunch

Once upon a time Tomasz Starzewski was the best-kept secret of London's lunching ladies. No longer. The secret is out.

His reputation as frockmeister in a certain world, albeit a rarefied one, is assured. This week saw a further change of gear in his life when he opened his own store in Sloane Street, London. And Asprey, the Bond Street jeweller and luxury goods house which bought a big stake in his company two years ago, gave the dinner of British fashion week in celebration of new beginnings for both of them.

For Asprey, of course, new beginnings are sorely needed. It has been no secret that this one-time grand luxury store had lost its lustre.

Its share price had tumbled. Naim Attallah, who had been its group executive chairman for four years, had failed to work his expected alchemy, and among the luxury gift-buying set the turquoise blue of a Tiffany box, the distinctive green of a Gucci or the brilliant orange of Hermès had come to have more cachet than Asprey's own deep purple.

Starzewski, the son of Polish refugees, is less in need of new beginnings - "we don't have the past baggage and there are happily no mistakes to put right" - than growth.

When he sold a major stake in his company to Asprey about two years ago, he did so not because he needed rescuing but because he needed the backing of a big luxury group if he was to achieve all he wanted.

"Most of us are given one very important break in one's life and this is mine. I intend to respect it and make it work. It's incredibly exciting to have the vision and expertise of a big luxury group behind you," he says. "If there's a crisis I can talk to them, and they seem as ambitious for me as I am for myself."

"When Asprey bought into me most people thought they were mad. Here was this young couturier [he was just 32] with a small, specialised clientele. I think for them I represent the future - the youthful side of the market - of the luxury goods market. If you look at it that way it looks much more logical."

"It was Naim Attallah who originally believed in me and backed me but Ian Dahl, the new group chief executive, is just as supportive and he thinks big. It was he who said to me that I have to be in a 'proper retail environment' but he left it to me to find it. I chose Sloane Street over Bond Street because it's a highly residential area, and if I look at my client list this is where they live."

"I had always known that having a shop of one's own is essential. Many of us - including Caroline Charles, Shirin Cashmere and others - wouldn't have survived the recession if they hadn't had



Jade green cotton blouse, collarless jacket (£460) over matching embroidered bustier and hipsters (£150)

Lucia van der Post meets Tomasz Starzewski, one of London's most socially successful designers, who aims to put his name on the world stage - starting with the opening of his new flagship store



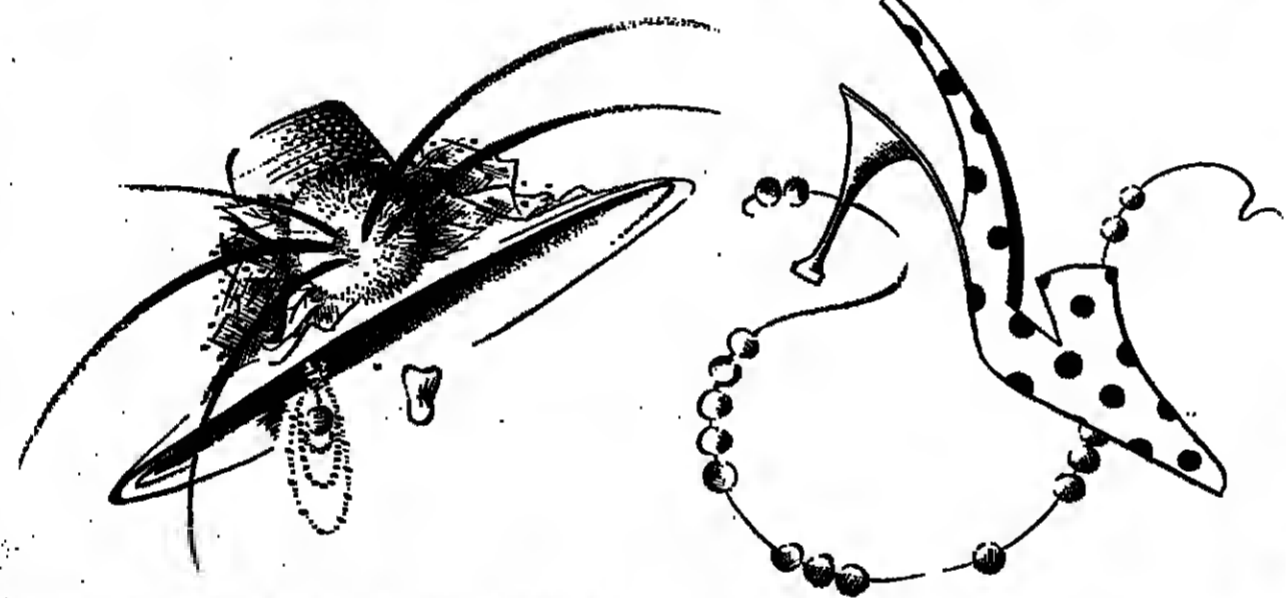
Tomasz Starzewski: his new flagship store was designed by his great friend - and client - Tessa Kennedy



□ Above: Sam Barnett in front of an Oriol Harwood gilded mirror wearing a white silk cocktail dress with embroidered black charity lace bodice, £950

□ Left: Barnett on the ground floor of the new store in a violet silk crêpe coat-necked evening dress, £1,200. A table by Oriol Harwood in the background

Photographs by Trevor Humphries



Lacquered black straw hat by Stephen Jones. Polka dot grosgrain used for shoes by Gina, £210

one. But I did not dare to dream that I would have a major store on what is now the most fashionable street in London.

"Ian Dahl recognises that I have a public that has buying power and he is prepared to back me." Given that among his clients are said to be 250 of the most socially influential women in England, and that most of his clients bear of him by word of mouth, Dahl would seem to have backed a winner.

The idea, of course, is to turn Tomasz Starzewski into an internationally recognised label. Asia and the US are the priorities - he already has a big client base in Hong Kong and two own-label shops within Lane Crawford stores will open in the autumn. His glamorous evening wear has always sold well in Saks and Neiman-Marcus in the US and shops within shops are being looked at.

All this fits into the larger strategy of turning the whole Asprey group into a global luxury goods business but, as Starzewski says in a slightly bemused way, "For the moment I am the most global part of their business."

In the UK Starzewski's world may be small and intimate but it is powerful. There is hardly a fortune worth mentioning that has not been plundered at some stage to fund a Starzewski frock or three.

For the thing about his clothes is that they add instant glamour. Other designers may produce clothes that are cooler, more directional, more understated, more elegant. But few know how to turn a piece of cloth and some glittery buttons into such a potent weapon of seduction. Starzewski's frocks are perfect mistress clothes. Men love to see their women in them.

You do not flourish a Flouax in them or look as if you know your bond markets from your gilts. When you want to play office politics or look intimidatingly clever then you do not wear a Starzewski frock. But, if it's a flirty lunch with someone you fancy, or a grand ball at which you want to make an entrance, then he will do you proud.

At the new shop, frocks and ball-gowns will be joined by a full range of accessories, including matching shoes. In the past his shoes always came from Jimmy Choo but he cannot meet the new demands and so Gina will provide some of the new footwear this autumn. Bags will be specially designed by Lulu Guinness, hats by Stephen Jones and jewellery by Erikson Beaman.

Although Starzewski's reputation is of serving a small and privileged elite, his prices are more accessible than this might imply. A sassy day-time suit from the ready-to-wear range costs between £500 and £600, no more than many pedestrian labels. A dress



Polka dot grosgrain bag by Lulu Guinness. To order



could be had for about £400. His Gold label collection is limited to 24 of each design - its rationale becomes obvious when you realise that Starzewski's clients are rather like members of a private club and run into each other a lot - and would sell at about £700 for a day dress, £1,200 for a suit. Couture starts at £1,500 for a suit and about £2,000 for a ball-gown. Bridal wear is a speciality - his dresses float down the grandest aisles and prices start at £1,500.

Starzewski's circle of clients and friends merge seamlessly. He is, they attest, a man of immense warmth and charm. It seems an excellent recipe for business success.

As a 20-year-old at St Martin's School of Fashion he charmed me so much that, between us, we persuaded the Financial Times to sponsor his first fashion show at Grosvenor House.

A client has only to cross the Starzewski threshold to be enveloped in a world of luxury, gossip, charm and friendship. If you have the funds, it is irresistible.

Whether this will translate internationally into a world-class label remains to be seen.

■ Tomasz Starzewski's former shops in Port Street and Grafton Street will close and the flagship store opens today at 177-178 Sloane Street, London SW1.

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"With the Michelin Building now refurbished and bustling with activity, Brompton Cross (as Blueprint has christened it) is probably the best area in London for quality retailing, restaurants and working."

Stanton Williams' reconstruction of the old Harrods depositary brings an elegant addition to the area and is a most welcome neighbour.

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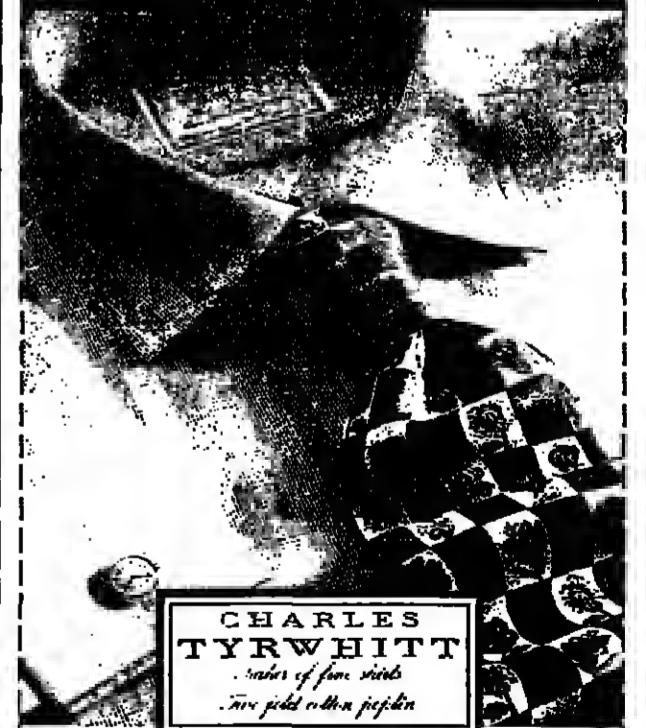
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OUTDOORS

Skiing

# A 60kph tow on a frozen lake

Arnie Wilson enjoys the food and sport at St Moritz

For the best part of an entire circuit on the frozen lake at St Moritz, the two men on skis and the races horses pulling them at 60kph are neck and neck - one a skiing expert, the other a professional jockey.

Their crash helmets, flashing in the Engadine sunshine, are almost as close as colliding snooker balls.

Even skiers in the celebrated Marmite restaurant, at the top of the funicular, pause over their *bimbi na caviar* (SWFr140 a portion) and *covorisismo* (carpaccio with wild salmon, truffles and caviar - FFr168) as they strain to admire the spectacle below.

Grinly, Franco Moro, the reigning "skijoring" champion, and his nine-year-old steed, Sacred Number, fight to find a way past Territorial Claim, towing Jakob Broger, on the inside. His route is barred. Outside does not work either. Broger may not be such a skilful skier, but all his williness as a jockey is coming into play.

Suddenly, Broger's horse, rattled by the confrontation, careers off course, leaving a relieved Moro to cruise to victory.

"When it comes to the test, it is more important to be a skier than a jockey when you are skierjoring," said Moro, director of the St Moritz ski school, who had already won the Credit Suisse Skijoring Trophy four times.

The sport of being towed on skis behind a horse was invented by the Scandinavians. But it arrived in St Moritz as early as 1905. Although just pipped as this year's champion by Fred Botling and Arabian Star, Moro is the world's most successful exponent. He has such a following in Switzerland that, with his blond hair and good looks, he is called the Robert Redford of skijoring. Moro has won eight out of 14 races, mainly on Sacred Number.

Skijoring is the most popular event in the St Moritz White Turf meeting, which includes horse racing and pony-and-trap events, all held on ice. Special flat nails in the horses hooves enable the animals to keep their footing at speeds in excess of those achieved on conventional turf.

Earlier, Princess Caroline of Monaco and friends had arrived in a private helicopter. King Carl Gustav of Sweden is also in town - not just for

White Turf, but also to attend the annual gourmet festival in which eight chefs from around the world cook special meals at the resort's most celebrated hotels.

As luck would have it, we dined at the Badrutt's Palace, where the guest chef was Willi Elsner, executive chef at London's Dorchester. Most of us opted for the pan-fried escalope of sea bass with zest of limes and coriander served with silverskin onions and Chinese greens (FFr56).

Although the over-powerful Swiss franc has deterred many British visitors - the Ski Club of Great Britain representative was bemoaning the lack of Britons - English is still spoken widely.

But with the price of practically everything sky-high, you can hardly blame British skiers for looking elsewhere, particularly across the border to Italy.

Word has it that bolshevik teams from Romania and Poland smuggle caviar into St Moritz in their sleighs in order to sell it at a profit to fund their hotel bills.

The rich and famous still come, of course, but even they appear to be on the wane. "I used to ski regularly with



Skijoring in St Moritz: "When it comes to the test, it is more important to be a skier than a jockey"

queens and movie stars," said Jacques Savay, our amiable instructor. "Last year I skied with Robert de Miro and Silvio Berlusconi, the former Italian prime minister, and that was about it. They were staying at the Shah of Persia's old house."

Meanwhile, back on the frozen lake, the soothing bells of the village church were struggling to be heard above the

White Turf big bands: one, from Lucerne - kitted out in devilish black gothic-cum-Hell's-Angel attire - belted out strident carnival music, while the Orphans, a British band from Weston-super-Mare specialising in "authentic 1950s soul music", drowned the bells completely.

"If you want to dance, or anything, just freak out," urged the lead singer, Chris

Rowe. Some Britons, at least, were alive and well and in town.

Their absent compatriots might not recognise the resort if they return. Skijoring has taken on a new look in St Moritz, particularly on the sunny slopes of Corviglia. Many new lifts have opened in the last year or two, giving the tired uphill transport system a state-of-the-art appearance.

The new Marguns "trails flours" chair is Switzerland's first six-seater. There is also a new quad up to Curtinella at Corvatsch, and a new cable-car at Lagalb-Diavolezza (Poutrestina).

Certainly the traditional visitors to St Moritz before it became a winter sports resort would be surprised. At the turn of the century people came here mainly to take the waters. Indeed, one visitor in

1916 reported: "The water was very healthy; spouse, maid and dog all became pregnant!"

"I hope it doesn't have the same effect on us," said the public relations woman in charge of my journey.

Arnie Wilson flew with British Airways to Zurich and travelled by Swiss Railways to St Moritz. He stayed at the Hotel La Margna courtesy of Credit Suisse Private Banking.

A new season is opening and work done now will be blessed throughout the year. We are supposed to look forward with optimism but, more and more, I think that most of our gardening books and catalogues lie

Naturally, they do not intend to be duplicitous. I think they suffer from Walden's Virus instead. It is not that they are duplicitous; they merely omit facts which they must know well and then tell us what is necessary to keep us happy.

What they omit is the constant presence of death and disappearance. We all lose a high proportion of what we plant, but we read and write as if it lasts for years.

Perhaps this illusion sets our ideals. Certainly, it does not prepare us for what we ought to expect. My mind's eye is full of new hopes for the next three years, but they are also tempted by encroaching experience. I am reassured to find that I am in the best company. The same experience dogged the gardeners who made the loveliest garden in Britain.

No garden will be more visited this year than Sissinghurst in Kent, former home of Vita Sackville West, the writer, and politician Harold Nicolson. The thousands who admire its beauty may be deceived into thinking that it is a one-way tale of success and continuity. If so, they should read Tony Lord's new book, *Gardening at Sissinghurst* (Frances Lincoln £25, 168 pages).

The photographs are outstanding. The text is instructive because it derives from close discussion with head gar-



Sissinghurst, from Tony Lord's beautifully illustrated new book

deners since the Nicolson died. It is an excellent guide to the present contents of this matchless garden but it is particularly telling because it describes so many of the changes and the failures.

Admirers of the White Garden may not realise that it began life with several almond trees, all of which have had to be removed. The beautiful pergola in the centre of the garden is a posthumous addition, con-

ceived by Nigel Nicolson, who professes not to be a gardener. Even in Sackville West's lifetime, slugs had massacred the white delphiniums.

The white Clematis alba luxurians is such a star nowadays but it was not part of the owners' scheme. Further hoops of metal have been added for climbers.

The climbers, however, have been problematic and Lord does well to remark on the

"eternal problem of iron garden structures". No book forewarns you but in summer they become too hot for plants and in winter they can chill them, a disadvantage which I have learned the hard way.

In a typically neat article, Sackville West once compared gardening with infant mortality in the Middle Ages. Lord makes sparing use of her writings and conveys less sense of her genius than I would expect.

She had, however, anticipated the running sub-theme of his splendid book: gardens die and change, even the best, and the best gardeners are those who do not lose heart.

The lilies have vanished from her Rose Garden since 1959. So have the 13 malus with purple leaves, which used to be its unexpected trees. Many of the roses would have vanished, too, but for the energetic mulching by her two inspired successors, Pamela Schwert and Sibylle Kreutzberger. During more than 30 years, they improved and developed the original vision and all visitors owe them a lasting tribute.

Not even Pam and Sibylle would expect to stop the change and decay. The celebrated sweep of polyanthus under the nut trees fell victim to brown rot and red core disease.

The herb garden has always been too cold to grow proper

Gardening / Robin Lane Fox

# Remember the death factor

basil. The lovely white Poppy of the Dawn was naturalised but it ran out of control and became a dreadful menace. Rust continues to attack the mallows and small mites assault the Michaelmas Daisies.

Sarah Cook, the head gardener, continues to move, replace and eliminate plantings which fall or die. When we visit, we are so easily

deceived that this garden goes smoothly and never deteriorates because its maintenance is so brilliantly upheld. Visitors like to say how they wish that they, too, could have such a place for themselves. The gardeners have always enjoyed the irony.

Lord's book is the first, full guide in print to the many changes made to this jewel of British gardens in private and

public ownership. I have enjoyed it immensely, although you might think that this particular garden allowed nothing new or significant to be added to its many writings.

I have enjoyed his survey for another, topical reason. We are all setting out for a new spring, old and new gardeners alike. New gardeners have dreams and high aspirations which nature will hatter and spoil.

Old gardeners ought to know better but they, too, have moments of expecting perfection which they will never attain.

One moral would be to scale down and give up in the face of realism. Another is to disbelieve the handbooks and accept that a high level of failure is part of the business. Our greatest garden and its chain of great gardeners support this second conclusion. They also support the one which matters: when something fails, start all over again and never lose heart.

The best gardening relies on resilience in the face of mistakes and natural wastage.

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Fishing / Tom Fort

# An odious technology

Am I simple-minded in believing that fishing should be a simple business? To me, it involves standing, sitting or kneeling beside, in, or on a river, lake, pond, canal, or sea using a rod, to propel a bait or lure in the direction of a fish, and turning a winding device, namely a reel, to extend or retrieve the line.

Within these boundaries, let human ingenuity play. I can admire and delight in the precision and delicacy of the latest rod, and in the engineering genius which informs the most advanced reel. I like my flies to be of the best, my floats to look pretty, and the rest of the necessary gear to be serviceable and sound.

But when it comes to the exploitation of technology to lower the odds in the contest with the fish, my Ludite proclivities are aroused. Take the fish-finder, for instance, which bounces signals around to tell you where the fish are lurking. The usefulness of this gadget in deep waters is self-evident as I found when fishing a meandering river in Brazil a couple of years ago.

But even then it struck me as not playing the game. What if the fish had an angler-finder, I wondered? The sport would be finished.

when I was a lad I had a little bell which was fixed to the end of my rod for night fishing.

The theory was that it would tinkle when one of the carp in the old moat took the worm. Theory it remained, for the carp never did take the worm. By then the electric bite alarm held sway among more sophisticated types. Never having had one, and remembering nothing of Ohm's Law or any other physics, I could not tell you how it works. All I do know is that you attach it to your line and, when a fish bites, it emits a nasty noise.

This is bad enough. But I recently read in one of the angling papers of an odious refinement. It is a paging system, a bit of plastic which you pop in your pocket, enabling you to pop off to send a fax or consort with your mobile until a beep tells you a fish has turned up.

The author of the article urges restraint. He deprecates going down to the pub, and maintains that the gentle music of the pager is more sociable than the cacophony of antiquated buzzers.

He dismisses what he calls the "voice of doom of the traditionalists" with this abominable remark: "We can't halt progress, so let's enjoy it sensibly."

halt progress, if that is what you call it. To me it all conjures a vision from hell, of a techno-angler bent over his bankside laptop receiving a printout distillation of means to achieve the target's downfall, then programming his integrated system of rods; while the fish, poor creature with its pea-sized brain,



swims towards nemesis.

All this nonsense is written by, and on behalf of, a section of obsessive, technology-mad carp anglers. To them, this is not a sport but a religion. They do not nip out for a couple of hours fishing. They camp beside their chosen lakes, whose locations are kept as secret as the headquarters of the Aum cult, for days and nights at a time.

To be accepted as a true devotee, you must be a chemist, to prepare the high-protein baits; and au

engineer, to understand the dynamics of equipment designed to hurl your bait up to 100 yards.

You do not talk of a nice fish of 10 pounds, but of 20s, 30s and 40s.

The man with the pager is clearly a high priest. Elsewhere he exhorts his followers to become better anglers by using compasses, maps and barometers. Their first task, he intones, is to produce a chart of their lake, showing where the carp are likely to congregate according to the millibar level. "Like us," he says, "carp need to be comfortable in well-oxygenated areas with plenty of food."

If this be progress, give me a loom to break. Or rather, give me a place beside a tranquil lake which has reeds, lily-pads and weeping willows; and is free of buzzers, pagers, meteorological instruments and fanatics.

Give me a rod, reel and line, and a float made from the quill of a swan feather with a crimson tip, and a decent worm or lump of bread for bait. And, as the evening shadows lengthen, or as the sun sucks off the mist at dawn, let the float slide away into the depths, and let me try conclusions with a fine carp. Or let me go home blissful and fishless. I shall not care overmuch.



PROPERTY

# In the Maldive coral paradise

Gerald Cadogan finds a getaway island in the Indian Ocean

Besides the gentle lapping of the sea on the beach of white coral sand, the only sound outside one's room is a rustling as the wind stirs the fronds of coconut palms.

This is the Indian Ocean tropical island of *Kunfunadhoo* in the Maldives where *Soneva Fushi*, a small luxury resort, opened last autumn. It has 42 rooms (some of them free-standing small houses) and will eventually have 65. Ten three-bedroom villas are also being built to buy.

*Soneva Fushi* (*fushi* means floating island) has the coral island to itself. A quarter of a mile wide and just under a mile long it is, surprisingly, the largest island in the Maldives.

The palms are not the only thing to make a rustling noise. The island is full of rabbits and chickens and wading birds. The only predator is a lazy cat, which finds enough to eat at the kitchens. There are no poisonous snakes or malarial mosquitoes. But the island has some ordinary mosquitoes, no worse than those in the Mediterranean; and lots of chameleons.

The Maldives are 1,189 islands in 26 atolls stretching more than 500 miles across the Indian Ocean. Most are uninhabited. From the air the reefs show up as a pale blue-green against the dark blue of the deep ocean. Some islands have vegetation, some are just sandbanks. The coconut palm is the national tree.

It is a long journey to the Maldives, usually via Dubai or Colombo. Most holiday-makers cram into the first resorts developed about 15 years ago. The airport is a boat ride from Malé, the capital. It has one ancient mosque, schools, a good public garden, boatbuilders'

quarter and hangarows from the days when the islands were a British protectorate.

*Soneva Fushi* is different from the other resorts. It offers the luxury of space since, even when the building programme is complete, there will be hardly more than 200 people (including staff) on the island.

Among the palms and tropical scrub, it is easy not to see anyone else, while the 40-minute journey from Malé, with Hummingbird Helicopters, gives the luxury of distance. As the helicopter rose for the return trip, we looked down on a whale plunging through the ocean.

It is hard to find a more refreshing change. Pack few clothes, lots of books and forget the rush of urban life. But if you cannot survive without outside stimulation, the hotel loans out videos and CDs - your own desert island discs. Or take a *dhoni*, the Maldivian boat, to try another island for a picnic, or go scuba diving or snorkelling to view the marine life. There is plenty of it in the dining room. Fishermen bring in a hefty catch each day.

*Soneva Fushi* is the child of Sonu Shivdasani, a 30-year-old Indian, who started the idea in his last year reading English at Oxford. With Eva, his Swedish wife, he has created a rare resort of sophisticated and luxurious simplicity.

The chunky 1950s-style furniture, imported from Bali, in bamboo and plantation teak, is solid comfort. Swept areas around the rooms bring the reassuring sense of order in the wilderness.

My semi open-air bathroom had its own private walled garden. The bed was a four-poster in bamboo with roll-down mosquito netting. Somerset Maugham, here we go.

The 10 villas will have the same furnishing but can be split up into



Island in the sun: pains but hardly any people

three units, or enjoyed as a whole. This allows buyers to let some or all of their rooms in co-operation with the hotel. That is essential. The island is not big enough for separate enterprises, particularly as everything has to be brought in - and crises of delivery can occur at any time.

Fruit and vegetables are imported from India, Sri Lanka and Australia. The house wine is from Cbateau Galoupet. Shivdasani's vineyard in Provence. The villa owners will also depend on the hotel for electricity and water, which is desalinated.

As foreigners may not own

freeholds in the Maldives, the management company, *Soneva Pavillioo Holdings*, has devised three packages. If you buy a 20-year lease on a villa for \$1.45m (£940,000), it will be repaid at the end of the term.

You can put up less money, \$1.15m, for no repayment in 20 years' time or, alternatively, pay only \$750,000 if you are willing to guarantee that the hotel can use the villa for nine months a year and keep all the revenue. In effect, one is buying three months of holiday for the next 20 years.

With the first two schemes, the hotel will let out the villa (or its

rooms) on request, and intends to charge \$20 a day per room for owners in residence for electricity, laundry, etc. and an annual maintenance charge of \$1,000 linked for labour, with materials at cost price on top. That includes re-thatching the roof with coconut fronds every two years and repainting every three years.

*Gerald Cadogan flew with Emittres and Hummingbird Helicopters.*

*Inquiries about the villas: Soneva Fushi (00960-230304); Soneva Pavillioo Hotels & Resorts, Bangkok (00662-254 4775); Zenith Global Partners, London (0171-371 3900).*

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# Cadogan's Place People in glass houses

A late Victorian glasshouse is an exuberant alternative to cottages. A two-acre walled garden at Sherfield on Loddon, near Basingstoke, Hampshire, is for sale at £290,000.

Its highlight is a cast-iron and timber-frame palm house with adjoining vine houses, built in 1898 by Messenger & Co, horticultural builders, of Loughborough. Few such glasshouses survive, most falling into disrepair during the first world war.

Today, the Sherfield horticultural paradise is in fine condition - thanks to the vendor who has a passion for glasshouses. It sits inside the 12ft high wall of the old kitchen garden of Sherfield Manor (now North Foreland Lodge school).

The owners have restored the original wide gravel paths and modernised the old bothy - accommodation for the gardeners - into living space with three bedrooms.

The agent is John D Wood in Winchester (01963-863131).

A similar two-acre Victorian walled garden in Surrey, called The Gardens at Greatmure Park near Capel, is on offer at £300,000. It has a further two acres *extra muras* and another converted bothy (five bedrooms). The glasshouse is less flamboyant. Inquiries to Browns in Cranleigh (01485-267070).

Knight Frank's index of country house prices is based on three main types: cottages; five- to six-bedroom farmhouses with five acres; seven- to eight-bedroom manor houses with 15 acres.

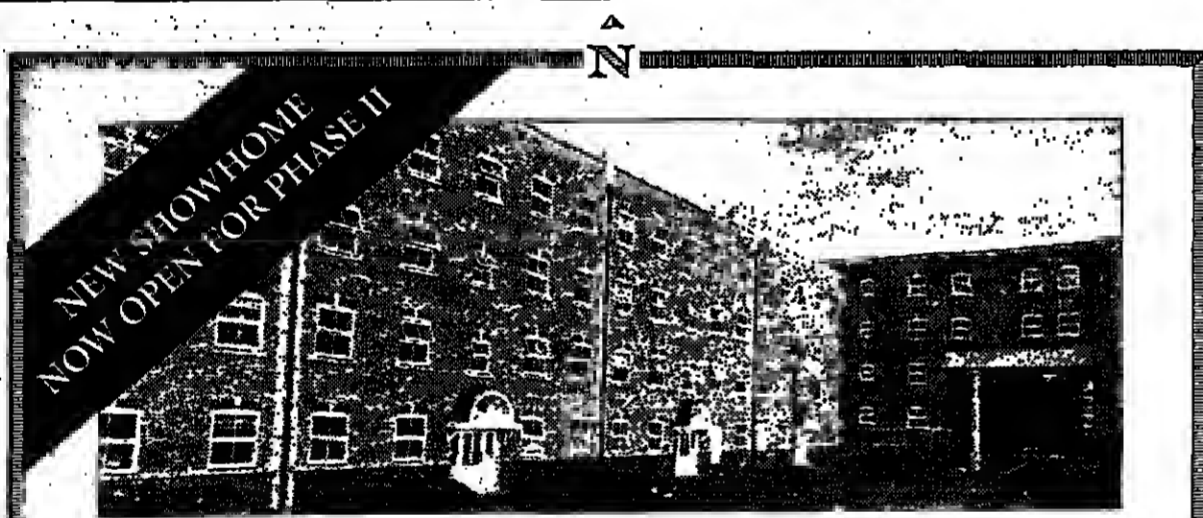
At the end of 1995, the most expensive manors were in east Berkshire (£1.75m) and dearest farmhouses in north Surrey (£700,000). Cheapest manors were in Wales (£250,000) and farmhouses in Wales and Scotland (£200,000).

In the home counties, Buckinghamshire, Kent and Sussex still offer manors for less than £1m.

Regional fluctuations in prices, even between adjoining east Berkshire and north Surrey, suggest it is wise for buyers to look beyond their main target area.

G.C.

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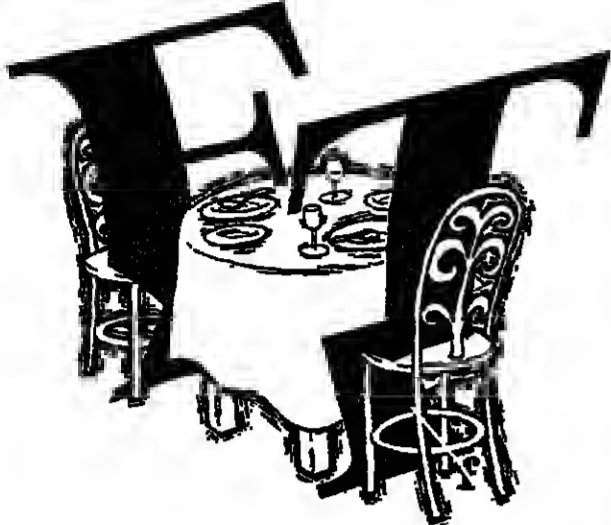
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## FOOD AND DRINK

Lunch for a Fiver

## Winners and losers in a fun fortnight

Nicholas Lander assesses the FT's 1996 restaurant promotion, when readers braved even blizzards in search of good value meals



## Lunch for £5

1. St Olaves' Court Hotel, Exeter, Devon (01392-217798)
2. The Marsh Goose, Monroton-in-Marsh (01608-652111)
3. Summer Lodge, Evesham (01935-63424)
4. The Punch Bowl Inn, Crosswells (01534-68237)
5. Pommeroyes, London SW1 (0171-429 650)
6. The Blenheim, London NW8 (0171-425 1222)
7. Clos du Roy, Bath (01225-444450)
8. George & Dragon, Rowley (01380-723058)
9. Four Seasons, Dyfed (01287-292238)
10. Percy's, Harrow (0181-427 2021)

## Lunch for £7.50

1. Bryn Howel Hotel, Llangollen, Wales (01978-660331)
2. The Wife of Bath, Wye (01233-812232)
3. The Old Forge, Stomington (01903-743402)
4. Clisigh Park, Chagford (01647-422367)
5. Fleur de Sel, Haslemere (01426-651462)
6. The White Horse Inn, Chilgrove (01243-535219)
7. Adlard's, Norwich (01603-633522)
8. James, London WC2 (0171-405 9749)
9. Vintners Rooms, Leith (0131-654 6767)
10. The Queensbury Hotel, Bath (01225-447828)

## Lunch for £10

1. Hartwell House, Aylesbury, Bucks (01296-747444)
2. Hambleton Hall, Hambleton (01572-756991)
3. Winteringham Fields, Winteringham (01774-730099)
4. Clisigh Park, Chagford (01647-422367)
5. Read's, Faversham (01795-535344)
6. Leith's, London W11 (0171-229 4481)
7. Hollington House, Woolton Hill (01635-255100)
8. Bullock's at 116, London W1 (0171-499 3464)
9. The King's Head, Mingham (01296-659882)
10. The Pink Garden, Melbourne (01763-253215)



Owner Gianfranco Parola (left) head waiter Jonathan Adams (right) and head chef Terry Shaw get in to the spirit of the FT's lunch promotion at the Café Grazzielle, the Cock and Rabbit Inn, Buckinghamshire. Ashley Ashwood

Since the beginning of this year's Lunch for a Fiver, the FT's UK restaurant promotion, my mailbox has been bulging with questionnaires, letters from restaurateurs and perceptive reviews from readers.

According to reports from British restaurateurs as far apart as David and Rona Pitchford of Read's, Kent, and Andrew Hetherington, of Fairyhill, Gower, near Swansea, FT readers were prepared to travel for up to 1½ hours in search of the best value lunch.

Two new themes have emerged from this year's promotion. The first is the sense of fun and good humour that prevailed, with a few exceptions, throughout the 340 participating restaurants.

For example, at the Café Grazzielle, in the Cock and Rabbit Inn, Buckinghamshire, proprietor Gianfranco Parola had his bar staff and waiters wearing T-shirts emblazoned with "No FT, No Comment" and tablecloths were made from the newspaper.

At the two-month-old Buckley Cobble, in Northampton, Maryna Russell offered FT hunchers a voucher for a free bottle of house wine if they returned for dinner in February.

Shirli and Roger Berman, who describe themselves as "gaffers" of Jack Fuller's, Brighton, East Sussex, faxed: "We've had a fivefold increase in business thanks to the FT. But today we've had 6in of snow so all tables were cancelled. We will, therefore, carry on the promotion a further week in accordance with our customers' wishes."

Michael Golowicz, chef/proprietor of September Brasserie, Blackpool, said that covers served had been 100 per cent, adding: "Takings not quite the same but the effect on future business is incalculable!"

Barry Phillips, at The White Horse, Chilgrove, near Chichester, reported that they were about to close for their annual February holiday "...with an empty larder and a full bank account. It's good for the soul to be so wanted and needed in the

country in January." Similar sentiments, too, from Marcus Leaver, proprietor of The Blenheim, London NW8. He reported that the ham hocks served on their £5 menu had been such a runaway success that one man arrived to order 60 for a party in two months' time and paid cash there and then.

The other obvious theme is that FT readers are, rightly, demanding and keen to pit the restaurants on their mettle to ensure they get the best value for money.

One reader in London EC4 gave a detailed account of her lunches at the River Café, W6, Leith's W11, and Adlard's, Norwich, followed by a blanket criticism of them all for neglecting vegetarians.

She pointed out that not all FT readers are ex-public schoolboys who have never enjoyed anything except meat followed by pudding. She put forward a five-point proposal to ameliorate the vegetarian's lot.

The letter ended happily, if incongruously, by saying: "Adlard's managed to produce the best lamb and the best pud-

ding we had ever eaten and we still felt a warm glow that evening despite a two-hour drive through a blizzard."

Several readers and restaurateurs wrote wondering why their particular part of the country had been under-represented and one kind reader in Cornwall even took the trouble to tear the restaurant section out of his Yellow Pages and send it to me.

The responsibility for this is mine. However, it is difficult to find restaurants of the right standard, outside city centres, which are open in January and early February. Any nominations or self-nominations for next year's promotion will be gratefully considered.

So to your questionnaires and the results. We received 13,900 replies split equally among the three price categories, an increase of 10 per cent on last year.

In spite of the total number of participating restaurants - 163 in London and 182 outside - all the winners, the top three places in each category, have been won by restaurants outside the capital.

The top 10 in the £7.50 category contains four restaurants from last year's top 10

restaurants' higher fixed costs impose constraints? One thing is clear: excellent cooking - and value - is available nationally.

From the reports it was clear that all 10 restaurants listed in the £5 category offered great value and I can only feel sorry

for The Marsh Goose, which has come second last year and this.

At the end of the first week, Raymond Wyatt, proprietor of St Olaves' Court, wrote in haste confessing that when I originally conceived of Lunch for a Fiver in 1993 his reaction had been to throw my letter in the bin.

Not his scene, too New York, he confessed. Now a convert, he has used the FT Lunch for a Fiver menu to market his hotel. He added: "I have stayed with the £5 lunch as I believe this gives the greatest challenge to the chefs. Buying has to be particularly keen and imagination on menu planning more relevant. It is a challenge to the whole team."

The top 10 in the £7.50 category contains four restaurants from last year's top 10 - The Wife of Bath, Adlard's, The Vintners Rooms and The Old Forge - a tribute to their continuing value for money.

For The Bryn Howel Hotel, which pushed last year's winner, The Wife of Bath, into second place, this is its second FT award - last year it won

the £5 category. Proprietor John Lloyd and his staff have been rewarded not just with first prize but with an even bigger increase in business - they served one more FT customer this year!

Head chef Alan Maw and his team at Hartwell House, Aylesbury, must have been cooking inspirationally during the FT fortnight. Not only has this restaurant won the £10 category at its first attempt, but it has also beaten four of the nine Michelin-starred restaurants who took part this year.

Although the £10 category may not impose the constraints that cooking a £5 or £7.50 menu does, the £10 category in many cases provides the biggest savings for the FT reader - up to 70 per cent or 80 per cent on food bills.

The mailbox is not all enthusiastic and readers have shown no hesitation in expressing their disappointment at some of the meals and service they have been offered, particularly at the Hole in the Wall, Bath, and Ma Cuisine, London.

Two letters, however, gave

me great pleasure. The first came from a reader who had used one of his three FT lunches to meet a clerical friend and sort out a pile of theological cuttings from the FT.

The second came from Richard Binns, who has written several guides to eating out in France involving visits to 1,500 restaurants in search of the best price/quality ratio.

Wearing his professional hat, Binns set off not just to judge two restaurants - The Emerson Dining Room, Darlington, in the Black Country, near the M6, and the Penhelig Arms, Aberdovey, Wales - but also to scrutinise the principle of the FT promotion.

He described The Emerson as a "Tardis of surprises with fine silverware, crockery, crystal and fresh flowers... and a chef with a sure classical hand", and lunch at the Penhelig Arms as "culinary largesse". He ended by wondering which French restaurant today could offer the same value with a Ffr40 menu?

I must now open my file for Lunch for a Fiver 1997.

Cookery/ Philippa Davenport

## Choice cuts from an informed voice

An illuminating new guide shows how what we eat in the UK is produced and marketed

Dame Edna Everage, the megastar housewife, once confided in one of her television programmes: "I'm very health conscious, I only eat things with cottages on the packet." The irony was lost on the guest she addressed, Linda McCartney, if memory serves me right.

Joanna Blythman would have relished the remark, laughed and rejoined with her own list of the most over-worked foodwriting images and words. "Farmhouse", "heritage" and "natural" would, I feel sure, be among them.

Blythman is a food journalist who has brought out a book that looks set to enhance her reputation further. The *Food We Eat* is an illuminating guide to the way food is produced and marketed in the UK. It aims to - and succeeds - in giving the consumer the background knowledge needed to make informed choices about what to buy and eat.

Carefully researched and honestly reported, it is richly informative, a model of clarity and brevity - and eminently readable. No pious whingeing, no aggressive proselytising, no overstatement of case. Blessed with fine writing ability and a fine palate, she is concerned about every aspect of eating well - the pleasures of the table, the textures and tastes of high quality foods, as well as food safety, good husbandry and animal welfare.

Much of what she reveals is

disquieting, some is encouraging, none of it is boring. She unravels the clues needed to decode labelling (explaining, for example, that Scottish smoked salmon and smoked Scottish salmon are as different as a chestnut horse and a horse chestnut).

She gives guidelines on recognising ripeness, offers the best descriptions of the raising of barley beef versus suckler beef that I have come across, introduces the chilling worlds of genetic engineering and the irradiation of foods, and much more.

Throughout the book she follows, to the letter, the advice she gives readers at the beginning: be wary of bland, meaningless assurances - recognise them for what they are and search out hard information.

I applaud the fact that this is a paperback original and so overstatement of case. Blessed with fine writing ability and a fine palate, she is concerned about every aspect of eating well - the pleasures of the table, the textures and tastes of high quality foods, as well as food safety, good husbandry and animal welfare.

Much of what she reveals is

taste truly of themselves. Let Blythman loose in the one-acre walled kitchen garden at Hegarty's Herefordshire home, Hope End, and she would be in seventh heaven. For the fruits, vegetables and herbs that thrive in that organic haven are varieties chosen for their fine eating qualities, many of them old-fashioned varieties too labour intensive or low-yielding to find commercial acceptance.

Hope End was the childhood home of Elizabeth Barrett Browning. It must be the most magically located small country house hotel in all England, a verdant and tranquil spot to which its devotees make regular pilgrimages.

Hegarty's unpretentious brand of English cooking makes splendid use of her fresh garden produce. It features home-made breads, biscuits and preserves, and depends on foods bought in from outside being chosen with the same care as is devoted to those grown on the premises.

Last year Hegarty finally gave in to pleas to allow guests occasionally to join her in the kitchen, to observe her philoso-



phy in action so to speak. glean cooking tips and recipes. This year a few more opportunities are planned - three-night stays with guests invited to arrive in time for tea on Tuesday and to depart on Friday after breakfast, to include three half-day sessions in the kitchen and one in the walled kitchen garden.

Recipes for spring are the subject scheduled for March 5-7 inclusive and March 19-21 inclusive. There will be one course on cooking with herbs (June 4-6 inc) and two devoted

to autumnal recipes (November 13-14 and November 19-21 inc). Prices are £350 a participant and £161 for non-participating partners.

Look out, too, for contributions by Patricia Hegarty and John, her husband, to *Fruity Stories*, a Channel 4 series on growing, storing and serving fruit due to be transmitted this month.

HEGARTY'S WHITE FISH MOUSSELINE FOR TERRINES AND QUENELLES 700g fillets of brill, halibut, monkfish or whiting; 6 egg

whites; 225ml double cream; plenty of grated nutmeg.

Cut the fish into 1in squares and process it until smooth. Add the egg whites and whizz again with a generous seasoning of nutmeg and a little salt. Pour on the cream and whizz only as long as it takes to incorporate the cream (if processed for long the fishy mixture will turn buttery). Cover and chill until needed.

FISH TERRINE WITH SPINACH & PRAWNS (serves 12-14) White fish mousseline mixture

(as above); 6-10 fresh spinach leaves, depending on size; 125g prawns (cooked and shelled weight); herb vinaigrette for serving.

Line a terrine or loaf tin of 1.2 litre capacity by laying a broad strip of BakeWell paper across the container and pressing it down so it covers the base and both long sides. There is no need to bother about lining the short ends.

Blanch the spinach leaves for two minutes in boiling water to make them supple. Drain, pat dry and lay them in an overlapping row on a board. Whizz one-fifth of the basic terrine mixture with the prawns. Shape the pink mixture into a long sausage, lay it on the leaves and roll it up in the greenery.

Put about half the remaining white fish mousseline mixture into the terrine, making a slight hollow down the centre. Lay the spinach roll in the hollow and pack the rest of the white fish mousseline around and over it.

Cover the terrine with a lid or foil and bake in a hot water bath at 130°C (265°F) gas mark 4 for 45 minutes. It is ready when the top is

firm to the touch. Cool and refrigerate until needed. Unmould and slice for serving with a herb vinaigrette sauce flavoured with, say, tarragon or spring onion and garlic.

QUENELLES OF WHITE FISH (serves 8 as a first course or 4-5 as a main course)

White fish mousseline mixture, as above; a well flavoured sauce, such as tomato with dill seed for serving, plus a little grated cheese.

Choose a pan with a large surface area. Fill it with water just 8cm deep and bring to a simmer.

Shape the chilled mousseline mixture into dessert ovals, using two dessert spoons. (The shapes will turn out smoother if the spoons are dipped in hot water between each shaping, but I quite like a slightly craggy effect.)

Drop the quenelles into the simmering water, a batch at a time, and cook for 5-7 minutes. Drain on absorbent paper and keep warm while cooking the rest.

Finish the quenelles in an ovenproof dish with sauce. Sprinkle a little grated cheese over the top and slip the dish under the grill briefly.

The Food We Eat by Joanna Blythman, a Penguin paperback original, costs £7.99. Hope End Hotel is at Ledbury, Herefordshire HR8 1JQ. Tel: 01531-636113. Fax: 01531-636366.

FOOD AND DRINK

Wine / Jancis Robinson

Kiwi whites lack distinctive edge

Technically competent, the 1995s - even Cloudy Bay - seems short on concentration

New Zealand wine producers have had a run of bad luck - a series of short vintages followed last year by an extremely wet one. Now there is a chance to assess the country's 1995 whites...

Mighty's Vineyard Chardonnay 1994 is £164.50 a case from Farr Vintners, of London SW1 (0171-828 1960), which also sells New Zealand's most luscious (though not most burgundian) Pinot Noir, Ata Rangl 1994, at £170.38 a case.

head honchos to observe "our biggest problem is that we don't believe in ourselves or feel we can't boast about ourselves and our achievements?"

Gnado al Tasso, Antinori's toothsome new Cabernet/Merlot/Syrah blend, seems set to become another classic from Bolgheri in the Maremma on the Tuscan coast...

tolerate deferred payment. Inquiries to 0171-435 6310, fax 794 8816. Wine merchants touting special evening tastings include La Reserve of London SW3 (0171-589 2020) which is offering a taste of nine extremely glamorous 1961 clarets for £175 on April 24.

Internet service". It has used "state-of-the-art technology to recreate an on-line, moving image version of their high street specialist wine stores".

Truffle Hunting A new battle: dog versus machine

Chris Wilson enjoys a fresh way of looking for an old delicacy

At £200 per lb in the street market of Lalbenque, near Cahors, in south-west France, the likely location of truffles is a closely guarded secret.

Instead, after a good lunch, I strolled through sunny woodlands with my companion, Pierre Sourzat, who screamed at his dog, "Putains de chiens, venez ici!"

When I questioned the late start I was told by Thierry Talou, our expedition's scientist: "It's best to look for truffles after lunch."

Talou, quartering a small patch of ground methodically, had agreed to test his device, which uses Aromascan technology, against one of France's top dogs, a molle frugier called Darius.

Darius was apparently on top form this season, uncovering vast quantities of truffles with ease. He was confident, relaxed, very much the dog on form. In contrast, Talou shivered nervously in his shirt and tie.

"It's only a prototype," he said defensively and put his head down again, moving slowly back and forward, just like a man metal detecting.

Where to eat truffles

Restaurant Le Balanda, in Cahors, is reputed to be the finest truffle restaurant in south-west France. Gilles and Laurent Marie, proprietors and chefs, take great delight in their truffle dishes.

During the season from November to March, the restaurant offers a variety of truffle dishes, most spectacularly, a six-course menu entirely composed of truffle dishes at £190 a person.

Do a truffle hunt yourself with a truffle-hunting dog. Place a layer of finely cut bread on the ground, scatter the truffles on top, and walk over it. The truffles will stick to the bread.

How to nose out truffles

The first step in the nose-out technology, with three truffle detectors, is to detect the truffles. The detectors have an array of sensors to detect the truffles. The sensors are made of metal and are connected to a computer.

The detectors are used to detect the truffles. The detectors are made of metal and are connected to a computer. The detectors are used to detect the truffles.

fling of the dog. Suddenly, Sourzat pounced on his labrador with cries of "Arrête, arrête", showing pieces of steak into the dog's mouth with one hand and dragging it away by the collar before it could scurrah a hole.

not as much fun. The nozzle through which the scent of the ripe truffle is sucked over the sensors is the area of a drawing pin head - and you will not find a truffle unless you are directly over one.

Talou had to reprogramme the machine before I could find another because, in the excitement, it seemed unable to forget the scent and thought every pebble was a truffle.

The black truffle that all the fuss is about, is a fungus found only on the roots of particular oak trees in particular types of chalky soils with a particular climate.

During the past 30 years the amount of truffles on the market has declined sharply and the price has increased threefold in real terms.

The present machine is rated as detecting a scent at several parts per million, with new technology set to improve this dramatically for next year.

Still, Darius the dog won the contest convincingly. For every truffle that Talou or I could find, he was unearthing three or four, in spite of disappearing every few minutes to urinate on some more trees to the accompaniment of loud curses and "est pas vrai!"

This uncommitted approach to truffle hunting is typical of dogs. They are not natural hunters but have to be trained by reward to locate them.



Two men, a machine, two dogs and the hope that springs eternal when a truffle hunt is under way

have pigs, you like hunting with pigs," but his eyes rolled when he looked at Talou and his machine, meticulously combing the area round one tree. "This is not fun."

The most efficient truffle hunter is, of course, the pig. It has a natural taste for the truffle but is not as popular as a hunter. When I asked why, I was greeted with laughter.

truffle hunters will probably never swap their dogs for a machine. However, there is a new breed of truffle hunter which is planting trees treated to produce truffles.

which, he hopes, will make the machine about 75 per cent as efficient as Darius. The machines will need to demonstrate their efficiency since they will not, initially, be cheap.

Michel Comby, chef at Le Train Bleu, Paris, cooks at Claridge's in Mayfair, London, later this month. Comby, renowned for French classical dishes, will include on his special menu starters of Cassolette d'Oeufs Brouillés aux Truffes Fraîches and Salade de Homard à Petits Éclaircis Verts à l'Écluse d'Olives.

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Soufflé Marie Louise and Gratin de Fromage Saint Moritz. Comby will cook from Monday March 11 to Wednesday March 20. Prices will start at £29 for a three-course lunch including coffee, petits fours, service and VAT. Mothering Sunday and dinner menus cost more.

The first 24 FT readers who book will be offered a complimentary bottle of claret - one per reservation - and must quote the "Appetisers" column when booking. For reservations ring 0171-629 8850.

Appetisers

French treats from a master at Claridge's



The staff of five from Harrods' new bread department

dishes. A five-course set dinner menu including coffee will cost £32 a head. Reservations on 0171-285 2000.

and now completely revised - and to compare it with Oc Clarke's Wine Atlas (£40, 320 pages, Little Brown).

However Clarke, who has been everywhere in the ever-extending wine-growing world, offers a unique feature of which he is proud: more than 50 schematic maps which give panoramic views of the vineyards. They are not portrayed in the normal cartographic manner but produced by artists employing a painting technique which displays the lie of the land - in hills, mountains, valleys, rivers - and some towns and villages.

much emphasis on terroir - the soil, the situation and the grape varieties. He shows that it is impossible to make identical wines elsewhere from Cabernet-Sauvignon and Chardonnay as are made in Bordeaux and Burgundy.

There are also introductory pages on the world's wine climates, its grape varieties and how wines are made. He places

from cake and Irish soda bread are available each day. The Polaire, a traditional country loaf, is delivered from Paris.

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ght meals... ICH 2/MARCH 1996... The first 24 FT readers who book will be offered a complimentary bottle of claret - one per reservation - and must quote the "Appetisers" column when booking. For reservations ring 0171-629 8850.

SPORT



Back to the future: Scotland's Scott Hastings chased by England captain Will Carling in their Five Nations match at Twickenham in 1991

World Cup Cricket

# Catching England's ills

Mike Marqusee says the serious work begins as the quarter finals beckon

**T**his World Cup badly needed an upset, and at just past 4pm on Thursday, in Poona, western India, it got one, as lowly Kenya pulled off a sensational 73-run victory over the once mighty West Indies.

Until then, the preliminary group rounds seemed little more than a ritual, a chance for cricket's super-powers to probe each other's strengths and weaknesses, with the qualifiers for the knock-out stages a foregone conclusion. Now to be certain of a place in the last eight, West Indies will have to beat the Australians at Jaipur on Monday. On current form that seems even less likely than Kenya's giant-killing act.

The West Indies seem to have caught a bad case of the English disease. From the start, they appeared demoralised, sullen and fractious in the field, as if playing cricket in this part of the world was merely one of the burdens of super-stardom.

In contrast, the Kenyan amateurs, strongly backed by the Indian crowd, were enthusiastic and committed. They had come to enjoy their cricket,

and it showed. This triumph for naive sincerity over world-weary cynicism not only vindicated the presence of the much-derided "minnows" in the World Cup, but went a long way to justifying the existence of the controversy-wracked competition as a whole.

Holland have also acquitted themselves with honour (the young batsmen Noortwijk and Zuidersant impressing against England), but the UAE have proved an embarrassment playing without purpose or plan. It remains a mystery how they defeated the Kenyans in the 1994 qualifying tournament.

Until Kenya's victory, it had been assumed that the key match of the day would be the showdown between cup-holders Pakistan and the red-hot South Africans in Karachi. These were the two strongest sides in an otherwise lacklustre group, and for Pakistan it was considered vital to top the group in order to play their quarter final match at home (especially as both semi-finals are to be played in India).

Pakistan had made a late entry into the competition, disposing easily of Holland and

the UAE, but they did not bowl, bat or field consistently enough to arrest the South African juggernaut. Thanks to the South Africans' finely honed teamwork, Pakistan will now play a match in India for the first time in nine years.

Today's match between Sri Lanka and India in Delhi now looks likely to determine who will meet the Pakistanis in Bangalore (assuming the 1992 champions defeat England on Sunday).

Although awarded four points for the two matches forfeited when Australia and West Indies refused to play in Colombo, Sri Lanka have so far been restricted to a single appearance in the field, where batsmen Aravinda De Silva and Asanka Gurusinha put the Zimbabwean howlers to the sword.

Packed with swashbuckling stroke makers, Sri Lanka are one of the classiest batting acts in the World Cup. Should they meet the well-oiled Australian machine at any stage in the tournament, they will be backed by the entire sub-continent, still nursing a grievance over Australia's snub.

Apart from Kenya's historic victory, the best match of the cup so far was the encounter between Australia and India under the floodlights before a packed house at Bombay's Wankhede Stadium.

Coming off their confident victory over the West Indies at Gwalior, the Indians once again displayed unaccustomed zeal in the field, with captain Azharuddin's agile close catching and Kamble's rifle-crack returns from the deep delighting the spectators. While bowlers Srinath and Kumble showed the control and variation that made them so successful in English county cricket last summer, the batting leaned too heavily on 22-year-old Sachin Tendulkar.

Outshining his rival Lara, Tendulkar has been the batsman of the tournament. In Bombay, he hit 90 off 84 balls (with 14 fours) and, had he survived for another 15 minutes, the Indians might have overhauled the Australian total.

That total owed much to the marvellous 136 off 135 balls (including eight fours and three sixes) by Mark Waugh. If

Continued on Page XI

Rugby / Huw Richards

## Rowell's men: the world is against them

Among England manager Jack Rowell's techniques for building team spirit during his successful spell with Bath was encouraging a conviction that the rest of the world was against them.

Rowell has every reason to replay that tune to his England squad this week, as most of the rugby world will be against them as they try to stop Scotland taking the Grand Slam at Murrayfield today.

It will not just be the Murrayfield crowd, who helped inspire a famous Scottish victory over England in 1990. Goodwill for Scotland was evident in Cardiff two weeks ago after Scotland's narrow victory over Wales.

The Scots were, as Rob Wainwright, the captain, admitted, distinctly fortunate. But there was none of the recrimination or resentment that often follows narrow defeats, unlucky or not.

The good wishes pressed on Scotsmen reflected far more than Celtic solidarity against the Old Oppressor - many an Englishman's partisanship today will be tempered by generous recognition of what their opponents have contributed already to this season.

Scotland are in danger of bringing the game into repute. Like New Zealand in the World Cup, they have reminded us why it is worth watching by restating the case for instinct and imagination in a world dominated by pre-programmed, control-freak pragmatism.

International rugby is a realm of *realpolitik*. Results are what matters. And every team plays the percentage game in that it selects the players and tactics most likely to bring it victory. The difference with Scotland is that the method they have chosen excites and enthralls those not otherwise committed to their cause.

They are no different from any other team in recognising the importance of winning possession - the oft-cited truism that "you cannot win without the ball". But the point is what you do with that possession, and how you regard it.

For many club and international teams it is, first of all, a means of stifling the opposition - establish forward domination and play a tightly controlled game that minimises mistakes, using battering-ram back-row moves and well-placed kicks to make progress upfield.

Provided it works, this is not unattractive to the committed. Vast numbers gather at Welford Road, Leicester, to see if Dean Richards and his club team can maintain their present rate of three pushover tries a match.

The new Twickenham stands are a monument to the crowds attracted by England's penchant for setting up rucks and Rob Andrew kicking to the corners the possession gained. And any fan can appreciate the technique of a dominant pack and the skill of a kicking outside-half - even as they speculate on the wing's chances of getting hypothermia.

But just as cricket fans would generally rather have watched David Gower than Geoffrey Boycott, and their soccer counterparts derive more pleasure from Peter Beardsley than Tony Adams, so rugby fans would rather watch a team that sees possession as an opportunity to create, to give their opponents something to stop rather than simply stopping them.

That appeal goes back to the St George's Hospital teams of the 1870s who used quick, skilful players to outwit the cumbersome behemoths who had dominated until that time - a breakthrough as important in the development of rugby as Scottish soccer's contemporaneous development of a passing game was to the rival code.

That is Scotland's charm this year - a style based on quick ball, rapid movement and above all quick thought. It is rugby freed from inhibition. If there are more mistakes, they are outweighed by moments of brilliant creation epitomised by the winning try at Cardiff -

### Changing the England back row for the sixth time running shows uncertainty

first a long, swerving break by Keony Logan, then a refusal of the easy drop-goal option in order to go for the line.

Scott Hastings, a rock-solid centre whose defensive solidity helps underpin the brilliance of fly-half Gregor Townsend, equals brother Gavin's record of 61 Scotland caps today as he aims for an exclusive place in the record books as the first Scot to play in two Grand Slam teams.

England may have the power and, as the selection of Dean Richards shows, certainly have the intent to stifle the Scots. They have also taken revenge three times since that 1990 defeat by Scotland, including the gripping, low-scoring 1991 World Cup semi-final. But with the once all-powerful front-five in transition, changing the back row for the sixth game running shows uncertainty - and the back row is exactly where Scotland are strongest.

Scotland could probably do England no greater favour than send them homewards to think again about a more flexible and imaginative approach. This is already Scotland's year, and today should be their day. In Dublin, the Welsh revival in spirit and style needs a win to bolster it against those who would dispatch them back down the damage-limitation dead-end of recent years. Ireland just need a win but talent, morale and recent history in a fixture that has produced only one home win since 1964, favours the Welsh.

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SPORT / MOTORING

Continued from Page X

Tendulkar is the ultra-modernist of contemporary cricket, matching power with innovation. Waugh is a standing reminder of the virtues of the classical style, relying on placement and timing. Waugh opened the innings with Taylor, who shocked the Indians by abandoning his usual stone-walling diffidence to strike a rapid fire 58, while Waugh was still on 38. Taylor's captaincy is one of Australia's main assets, and Waugh, endlessly varying flight and turn, seems to have the ball on an invisible string, leaving the batsmen nothing to hit. Intriguingly, the World Cup match winners may well prove to be the leg-spin trio of Waugh, Kumble and Mushtaq Ahmed (now joined by the lesser light of Zimbabwe's Paul Strang).

Traditionalists who have accused the one-day game of eradicating cricket's arcane craft may have to revise their judgments. Increasingly, it is being raised to a collective science, while still leaving scope for individual artistry and, as the Kenyans have shown, the decisive importance of heart and soul.

As Omar Kureishi, the veteran Pakistani commentator, has observed: "In one-day cricket, the element of mind has come to the fore." It is this element that both England and the West Indies seem to lack.

Memories of Dutch cricket

When I was 14 years old I received a letter saying I had been picked for the Dutch youth cricket squad. Although I held wildly unrealistic views of my own ability, I was surprised. First, although I lived in the Netherlands, I was English and not Dutch; second, every Saturday morning boys such as Tim de Leele and Klaas Jan van Noortwijk bit my leg-spinners into the local canal.

Twelve years on I have stopped feeling ashamed. Against England in the World Cup in Asia last week, Tim scored 41 and Klaas Jan 64. Now I can tell people about the day I scored 12 not out off Klaas Jan's bowling, and the ball of Tim's which I hit for three (not an edge - a firm pull to backward square leg).

Tim de Leele was the star of my generation. A doctor's son - most Dutch cricketers are upper middle class - he was good enough at football to have attracted Sparta Rotterdam, and better at cricket. He once batted left-handed against my team and hit several sixes. But he was always generous. Over lunch at a national squad training camp, he complained that he had been unable to hit a boy's off-spinners out of the

ground. The boy, a star himself, shone with pleasure. Until last week, when I saw him hitting sixes against England and Pakistan. Klaas Jan impressed me less. In hindsight I can see that like Bradman, he did little that was flashy but nothing that was wrong.

A Rotterdam boy, he played for VOC, where Jack Richards, the former England keeper, joined him on emigrating to the Netherlands. Richards bowled for VOC because the club keeper, the surgeon Rene Schoneheim, was unshiftable after two decades in the job.

Two other members of the World Cup team, Erik Gouka and Marcel Schewe, played for Excelsior in Schiedam, the only Dutch town where boys play cricket on the street and the only working class spot in the Dutch cricketing map. Excelsior sometimes draw 5,000 fans to matches - although only 6,000 people in the country play cricket - and there have been outbreaks of hooliganism. Erik I remember for the pull shot he played against almost any ball; no doubt he has developed. Marcel used to sledge.

Maurits Cruca, another great cricketer of my generation, went on to play hockey for Holland instead. Yet Tim

aside, the boy who impressed me most was Boudewijn Lefebvre. His elder brother Ronald plays for Glamorgan and Holland, and the VOC elders thought Boudewijn was going to be better.

But he fell victim to the deadly serious side of Dutch cricket. Even at my club, which plays the equivalent of village cricket, the players turn up 1½ hours before the match to swivel their pupils in their eye-sockets and perform other performance-enhancing exercises.

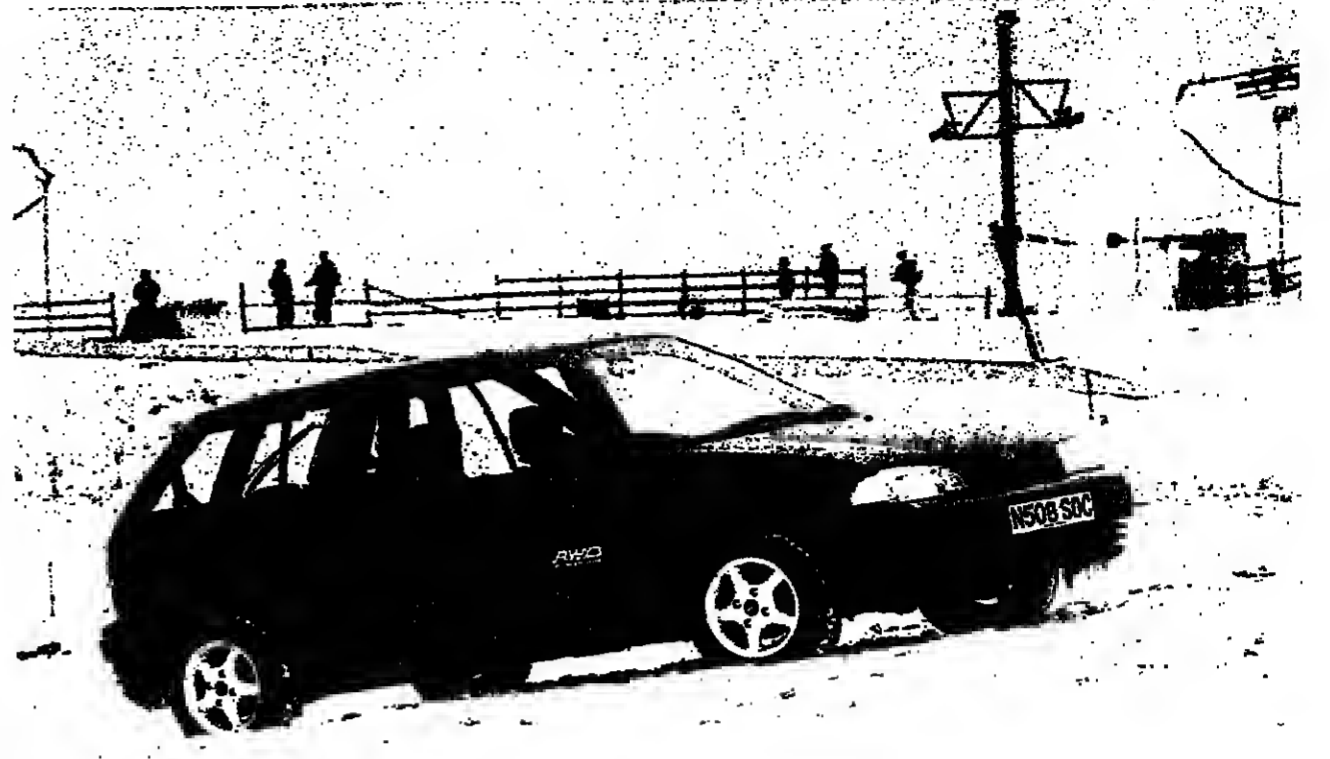
Charged up, they storm on to the field and drop the simplest of catches. At VOC things were worse. Boudewijn enjoyed visiting discos and, as a cure, he was demoted to the third team. He did not respond well, and he is not in India this month.

Perhaps Eldert Frank will make the next World Cup. I first met Eldert - red-haired and freckled, distantly related to Anne - when I was 12 and he was nine. I bowled him an off-spinner in the nets that hit him in the stomach, and he cried.

Later he moved to Rotterdam. Now he bowls left-arm spin for the VOC first team and, come 2000, he could be taking England wickets.

Simon Kuper

Motoring



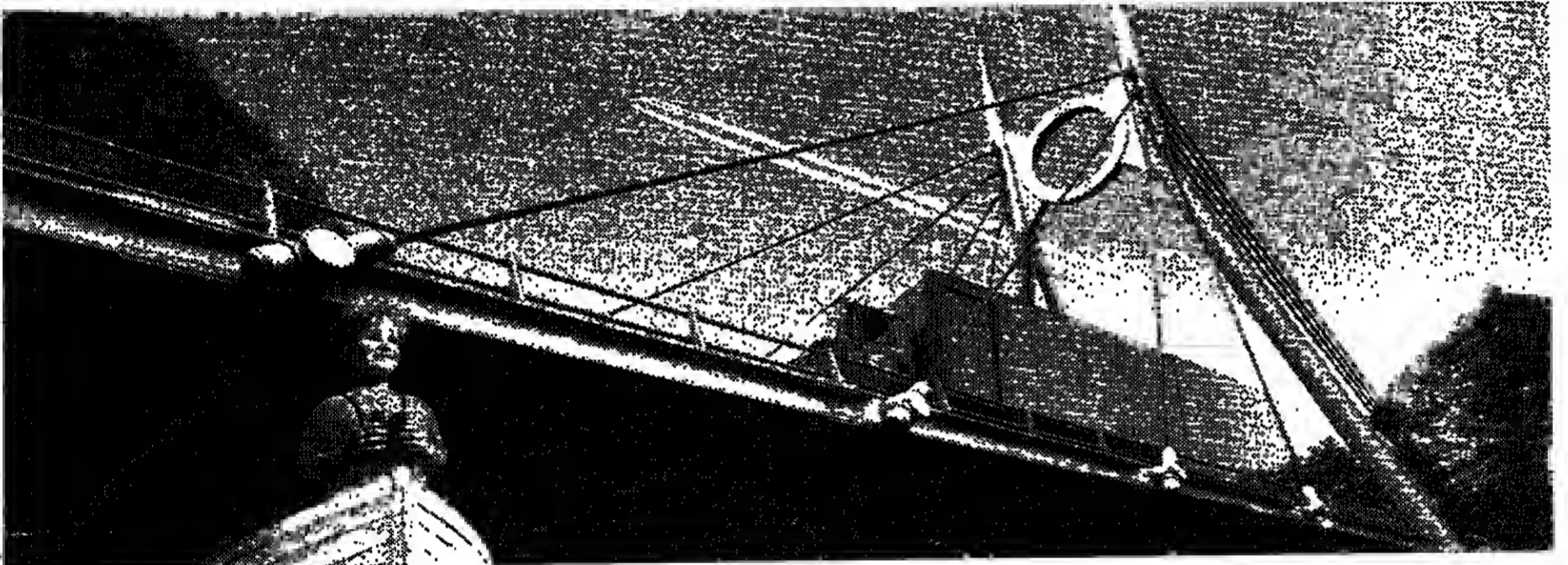
Subaru's new Justy - keenly priced and Japanese standard

People who need four-wheel drive cars, as distinct from those who buy on-off road 4x4s as lifestyle accessories, have always thought well of the Subaru range, writes Stuart Marshall.

The Legend, with permanent all-wheel drive, is a proper countryman's estate. And the supermini-sized Justy, with selectable front or four-wheel drive, has been the logical second car for families living in places where winters are snowy and driving conditions difficult.

The new Justy (pictured above) will be better still. It has a four-cylinder, 1.5-litre engine instead of a 1.2-litre, three-cylinder. Four-wheel drive is now permanently engaged, with tractive effort automatically allocated between front and rear wheels according to road conditions. Power steering, driver's airbag, electrically adjustable door mirrors and anti-thrust immobiliser are standard.

British sales have just started at £8,599 (three-door) and £9,000 (five-door). The new Justy is made (to Japanese standards) in a new Hungarian plant jointly owned with Suzuki.



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Clever traffic busters

For some weeks I have been using two electronic motoring aids, a Phillips Routefinder and a Trafficmaster. I am still not sure whether they are a great leap forward or an ingenious complication.

Routefinder works out a detailed route from A to B, from Aberavenny to Bognor Regis, if you like. And Trafficmaster presents a visual report on the state of play on Britain's motorway network. Both have their uses - and limitations.

Routefinder is really a computer-age supplement to the motoring map. Press the right buttons and it displays on a tiny screen (70mm x 40mm, which is smaller than a credit card) details of a route, using or avoiding motorways as you wish; calculates fuel costs; and estimates your time of arrival.

Trafficmaster tells you on a 80mm x 65mm screen how well the traffic is flowing - or not - on motorways and the trunk roads. It zooms in for a detailed look; for example, the M25 can be viewed in four segments. The information is obtained by sensors on motorway bridges and is more accurate than radio traffic reports because it is updated every three minutes.

These devices are not cheap. Routefinder was launched at £199.95 but is now discounted. Trafficmaster costs £149.99 but will not work without a regular supply of electronic information keys at £10 a month. (£110 a year).

All the information on Routefinder could be gleaned from a good map like Philip's (no relation to Routefinder's maker) peerless 1in/mile road atlas. When travelling alone, I plan a journey in advance; write the numbers of roads and motorway exits boldly on a piece of paper; and tape it to the fascia. It can be read virtually without my eyes leaving the road.

Only drivers with sight sharp enough to make out the microscopic writing on a modern car radio's buttons can hope to do this with a fascia-mounted Routefinder. Though a similarly sited Trafficmaster is better, it can be hard to read when driving into the sun. Computer-literate passengers will reckon a Routefinder is a great aid to navigation. Intelligence is only as good as the use to which it is put.

If I was heading for the M25 and Trafficmaster told me it was at a standstill between junctions 5 and 6, I would use the A25 instead. That is because I live nearby and know exactly how to pick up the motorway at junction 6. But suppose I was going north on M1 and, just after junction 29, Trafficmaster showed a jam had developed between junctions 30 and 31. Would I pull off at 30? If it were daylight and I had a large-scale road

map to navigate by, I might. Or I could drive to the nearest village with a name sign and get Routefinder to find me an alternative route from there.

But on a wet night I would probably take a chance on the traffic moving again soon. Better than risk getting lost, especially when one can always phone ahead by mobile to explain the delay.

What Routefinder and Trafficmaster should ideally be able to do is provide information by head-up (seen through the windscreen) display, computer-generated voice or a combination of the two. Glancing down to fiddle with radio or heater controls already causes many accidents. Trying to read data off very small screens could, too.

A solution to this problem is coming. Clever though they are, Routefinder and Trafficmaster must be overtaken soon by new technology. The Royal Automobile Club forecasts that 10 years hence, its members will be driving "smart" cars routinely equipped with space satellite-based automatic vehicle location and navigation.

'A 2005 car going on the blink hardly bears thinking about'

tion, on-board diagnostics and mobile communication.

Drivers will key destinations into fascia-mounted units which will call up the latest traffic information, work out the best routes and project the data through the windscreen. On moving off, the display is replaced by a voice telling drivers in good time which turns to take.

If the route is blocked, the RAC's centralised traffic information service will update the car's navigation system automatically and work out a detour. Should the on-board diagnostic system detect, say, that the radiator thermostat is about to pack up, the nearest RAC rescue vehicle will be alerted and the car's driver told by mobile phone where to rendezvous.

Which sounds wonderful; but is it too good to be true? Right now, all the breakdown services are having to rescue motorists who have sput themselves out of cars with remotely controlled central locking or who cannot disarm electronic engine immobilisers. Victims of these computerised glitches may feel the consequences of the self-diagnosing electronic wonders of a 2005 car going on the blink hardly bear thinking about.

Stuart Marshall

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TRAVEL

To stand and watch the windswept ice heave up and down in long rolling waves as the sea rose and fell under the frozen surface was a fascinating sight. It was also, well, a little scary. Why? Because I was standing on the ice, no more than 10cm thick, at least a kilometre from land.

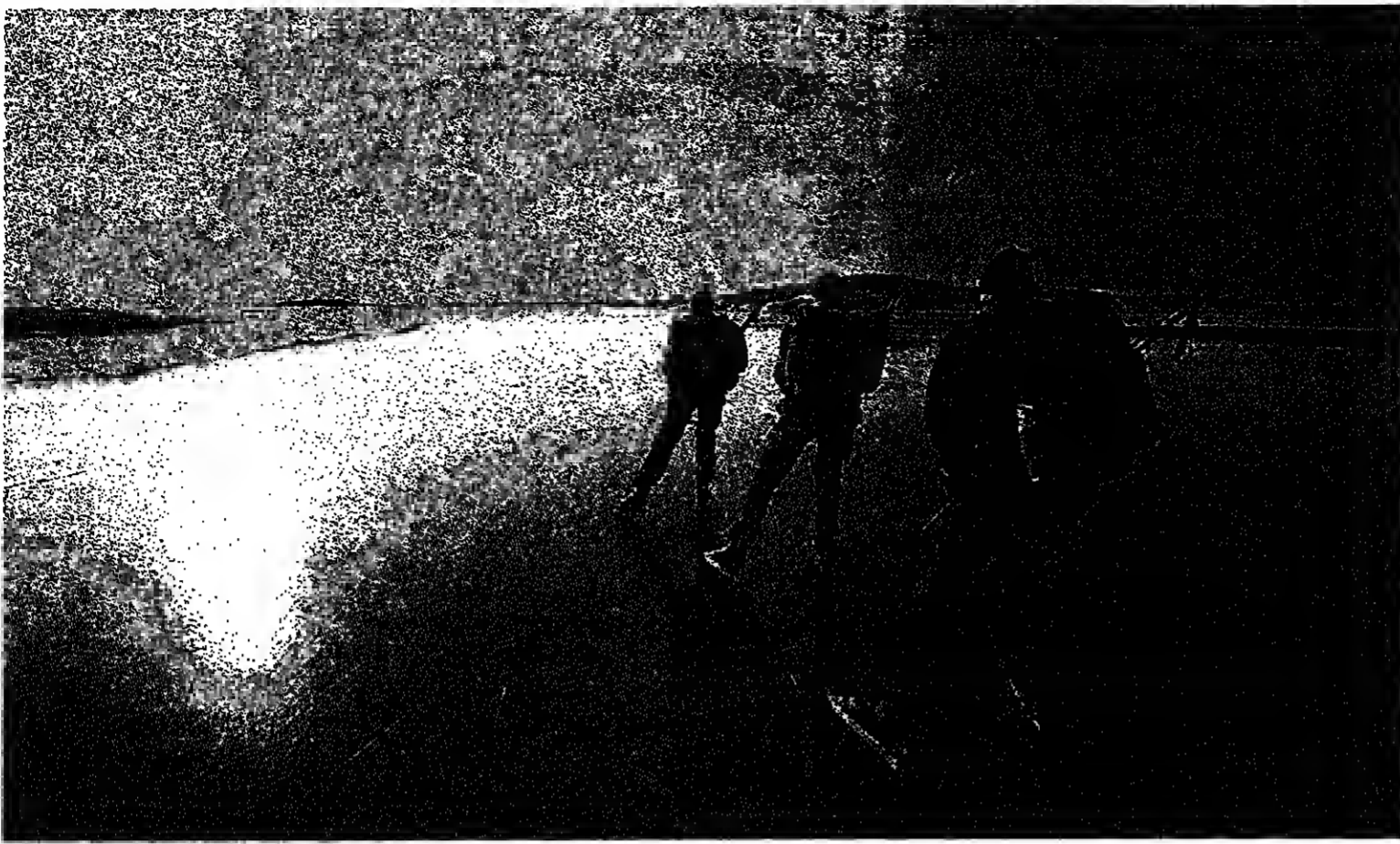
My disorientation must have been apparent. "Ice is quite elastic," Anders Boysen called out. He turned and headed on over the snow-blasted Baltic. "Let's go out to the light-house," he said, gesturing eastwards where we could see a big ferry ploughing towards the open sea through the shipping lane.

Sound like masochistic madness? Not at all. What Anders, three other friends and I were engaged in on a Saturday in February was one of the great outdoors experiences of a Swedish winter: long-distance skating.

We were not alone. On our 20km trip around the islands that dot the coastal waters off Nynäshamn, south of Stockholm, we saw dozens of other skaters, gliding in groups across the frozen sea, many of them, like us, out for most of the day and in search of those glorious stretches of clear, smooth ice where a tailwind helps you fly over the surface at exhilarating speeds.

It is a sport that is growing in popularity. Unlike in the Netherlands, where the winters are seldom cold enough to allow the Dutch to indulge their passion for skating on the canals, every year offers at least several weeks of skating - and up to three months in a good year. Lighter snowfalls in recent years and the low-tech, environmentally friendly nature of outdoor skating have led many Swedes to leave the ski-slopes and trails for the ice.

Conditions for skating tours are perfect in the area of east-central Sweden around Stockholm. Inland and further north, there is too much snow on the lakes and sea. Further south, it is too mild. But around Stockholm an endless string of inland lakes and coastal archipelagos, combined with sub-zero temperatures and usually light to moderate snowfalls, provide hundreds of miles of skatable ice - in beautiful surroundings.



Fleashing blades: If you fall through the ice, turn back the way you came from and tread water

Janpe Wikström

# Escapades on thin ice

Hugh Carnegy discovers long-distance skating during a Swedish winter

years after falling through ice. Most were ice-fishermen (a common sight in winter, working their hand-drills like giant corkscrawls). But every year brings its stories of skaters plunging to an icy fate.

Obviously, you must be a competent skater, comfortable on the special long-distance skates that you strap on to your boots and which can be up to 55cm long. Ice hockey or ice dancing skates are unsuitable for long trips on rough, natural ice. But you also must have an experienced group leader who can "read" the ice. A thickness of 10cm is reckoned to be secure, but thicknesses can change rapidly.

Anders, a member of the century-old Stockholm Skate-Sailing Club that is the chief long-distance skating organisation, explained some basic tips. "The ice is weak under bridges, because the bridges hinder the escape of the warmth in the water. Sounds

and narrow passageways are dangerous because of currents preventing the ice forming. And be careful of snow drifts on the ice. The ice there is often thin because the snow has an insulating effect."

Equipment, too, is all important. Skaters habitually carry a backpack with a full change of clothes sealed in a plastic bag in case of an unwanted ducking. The backpack must have a waistband, as a pack unfastened at the waist can ride up if you fall in and push your head into the water. On the side of the backpack is strapped a lifeline, for helping pull up anyone unfortunate enough to go through the ice.

Similarly, every skater wears a pair of hand-held ice picks around the neck to stab into the ice and so help pull yourself out.

Every skater must also carry a pole with a strong ice pick on the bottom

for testing the ice thickness in uncertain areas, especially close to cracks which are common both in sea- and fresh-water ice.

If you do go through, the drill is as follows: turn back the way you came from to pull yourself out as the ice is likely to be strongest there. Tread water and either get your lifeline to your companion, or vice versa. While being pulled up by the line, use the hand-held ice picks to get additional purchase to heave yourself up.

It sounds offputting. But a careful group with an experienced leader should not need to worry. Instead, the thrill of speeding over the sea, blades rasping rhythmically on sun-splashed ice, quickly dispels any fears.

After struggling for an hour on rough surfaces against a fierce headwind, we suddenly hit clear ice where the snow had been blown away and the wind was in our favour. With a

whoop, we raced over what in a few months would be open water, chasing a group of low-flying swans. About us were rocky islands, topped with pine trees, draped in snow and fringed by the clinging ice - a breathtaking winter-scapes.

We met some skate-sailors - an extraordinary sight on skates with 20cm-high blades holding windsurfer-like sails on cruciforms borne on their shoulders. They blast over the ice reaching speeds of 100km an hour in what must be one of the world's most obscure but exciting sports.

My early anxiety faded and I could appreciate Anders' calm guidance. As we moved on to fresher ice, he stamped his skate a few times at my question about its thickness. He shook his head at the dull sound that resulted. "It sounds different if it is thin. When it is thin, the ice sings," he said.

# A novice in Norway

I tucked my camera into my rucksack and set off after my two companions. I was moving with increasing confidence now. One ski gliding easily after the other. Even downhill there were no longer a worry and I gave the steepness of the path ahead hardly a glance as I hissed towards the gully.

It was my first time on cross-country skis and I felt like an old pro; and I fell like a novice, one ski sliding outwards just before the bend so that I came hurtling round the corner on my back, skidding uncontrollably over the icy snow. I finally came to a stop and as I struggled to bring some sort of order back I realised that three Norwegians were waiting to climb the hill.

"Are there any more persons to come round the corner like that?" the man asked with great seriousness, clearly fearful of being swept away in an avalanche of novice British cross-country skiers.

My fall took place at Fefor in Gudbrandsdalen to the north of Lillehammer in Norway. The day had begun with the ritual of fitting skis and ski boots. The knowledge that the rest of the party had all skied before simply added to my growing apprehension.

But in the sure hands of Avnestein Lien, our ski instructor, that fear was soon dispelled. He concentrated mainly on balance and I was soon limboing easily under crossed ski sticks and nonchalantly tossing snow balls back and forth to my partner as I slid along without a thought for my feet.

The Fefor Hotel dates back to 1891 and Captain Scott stayed there when he was planning his journey to the South Pole. The easy skiing through sun-dappled pine and birch forests hardly compares with the harsh climate of even the best Antarctic summer. It did not seem the most appropriate training ground but the wind was to prove me wrong.

The gale that hit us on the following day when we had moved to the Hotel Rondablikk, on the opposite side of the valley, was unexpected and the worst in many years. It not

only brought snow of its own but picked up old snow and casually redistributed it in apparently random fashion. Sculpted white banks piled up against the windows of the indoor pool and cars disappeared under its blanket.

Frustrated by my confinement after discovering a new, accessible and enjoyable sport, I joined a few others for a brief ski sortie in the afternoon. The wind had abated but the path was partly cleared, partly drifted over. So the going was steady.

After the open hill top where we had battled individually with the elements, we revelled in the peace of the woods and hissed through the trees in companionable silence.

But another open stretch reminded us of the real conditions and reluctantly, we returned. Our tracks had already blown away and tiny bamboo markers were the only tell-tale signs of the route.

An hour was enough to fight our way back through the enveloping blizzard and gave me time to consider that, unlike us, once Scott was in the Antarctic he did not have the incentive of a comfortable hotel with a sauna to make for. Cross-country skiing was not the only sporting pursuit. One day, with an hour to spare before lunch, we donned skates to slice and scrape the frozen surface of the hotel tennis courts.

There were more games. Ragnar Jacobson, the hotel owner, produced six polished granite curling stones and some brushes and we played several beads, sweeping the ice clear in front of the sliding stones in a most professional manner. When my turn came, I struck the 20kg stone back and forth and let go. The heavy stone dropped with a sombre clunk and all but remained stationary while I slid off and kneeed.

**Michael J. Woods**  
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TRAVEL

The crisis is over. Britons have regained their nerve and are returning to Florida. A few scare stories about tourists being hijacked on the perimeter of Miami Airport caused panic attacks, not least at the Miami Visitors Bureau, but the problem has been solved by better signs inside and outside the airport; police patrols designed to round up any myopic new arrivals who take their hired cars off the freeway and into the adjacent ghetto; and time.

Perhaps the best solution of all is not to pick up your rented car at the airport but to take the frequent bus shuttles into town and enjoy a few days in easy-going Miami before setting off north for Disney World or south for the Florida Keys.

For the tourist there are three obvious residential options. You can identify with Al Capone and the Duke and Duchess of Windsor, and make for the Biltmore Hotel in Coral Gables. The Biltmore is the movies gone wild, a Spanish mogul's dream of home, circa 1926, bounded by a golf course and the largest swimming pool in mainland America, the very pool into which Johnny Weissmuller dived to become Tarzan and a Hollywood legend.

Alternatively you can stay in nearby Coconut Grove, Miami's laid back answer to Greenwich Village. Or you can head across the causeways to Miami Beach.

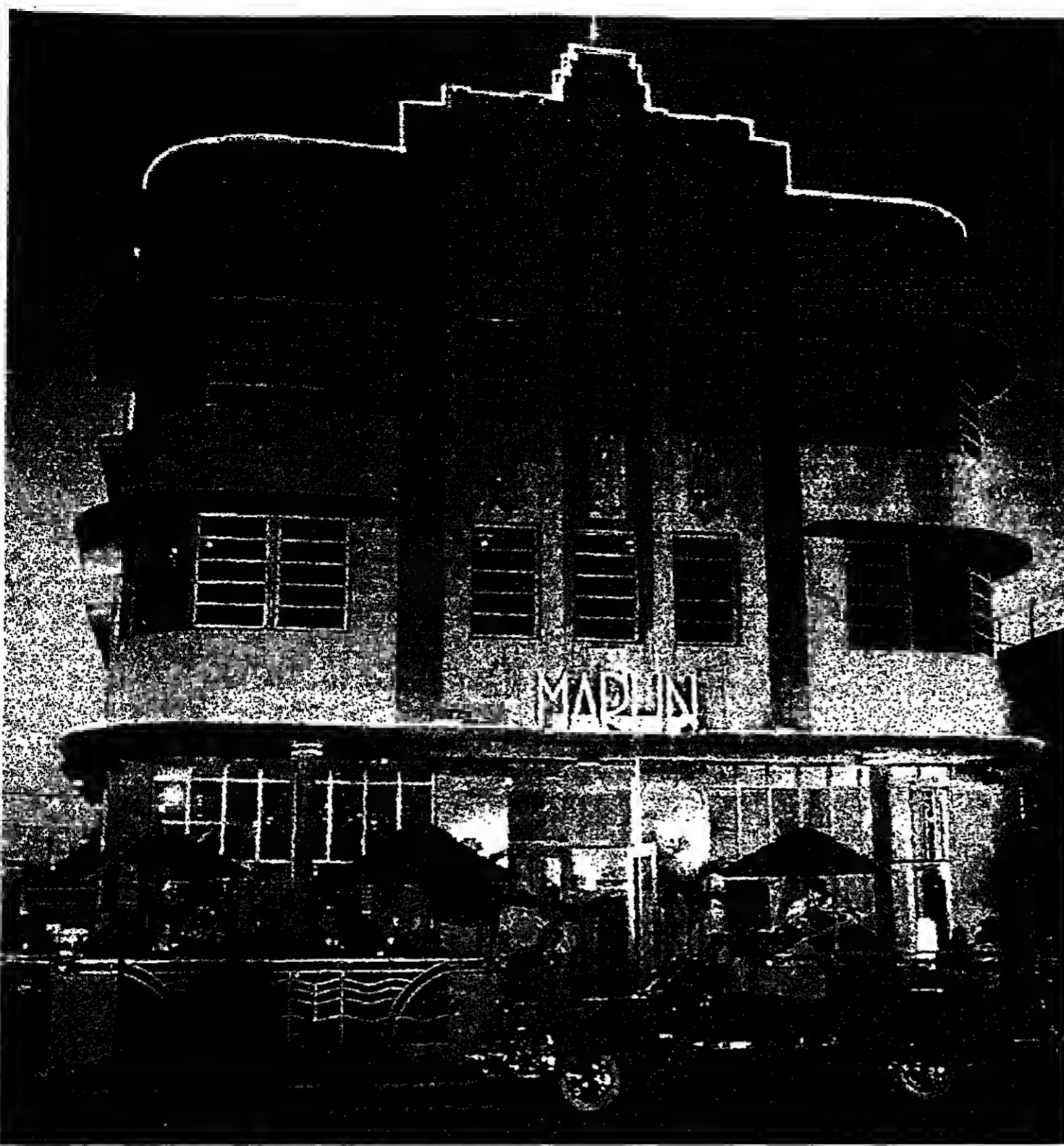
This is the sensible answer, for Miami Beach offers all the comforts of Miami with none of the big city blues. Miami Beach was America's first mass tourism destination and manages to retain much of the quaintness that the English associate with Frinton, spiced with a sharpness that comes with its traditional Jewish community and a panache infused by the more recent gay influx.

Miami Beach was largely created in the 1930s and, unlike most of the US, has an almost overwhelming sense of place, the consequence of its extraordinary architecture. It is the manifestation of American art deco. The hotels were built small and cheap, steel frames with concrete covering, but their exteriors were given the escapist gloss of the jazz age. If they did not look like ocean liners, with port-holes for windows, they were modelled on the streamlined lines of racing cars.

Twenty years ago the wreckers were poised to demolish them, but in the nick of time the Beach's new inhabitants, often pop millionaires or courtiers, recognised their charm and swooped to preserve them, this time splashing pastel pinks, blues and greens, quite different from the cool two-tone originals, over the *zizique* shapes. Now large blocks of Miami Beach look like a city made of liquorice all-sorts.

On the main drag, Ocean Drive, fronting the Atlantic, Camaron has assumed the upper hand. This is now a posers' paradise, especially after dark. Rooms are still reasonably cheap, less than \$100 (\$85) a day in summer when the locals writ in the heat but Britons lap up the bargains. However, every evening you must run the gauntlet of roller-bladed greeters, trying to tempt you into the bars and restaurants that front the hotels.

For reality, go inland a block, and then two, where the decorators have made slower progress. The hotels are less gaudy, the restaurants and bars more ethnic and specialist (try the Cyber Bar on Collins Avenue for a three-minute dip into the Third Millennium); and prices much lower. Here are the Haitian restaurants, the Cuban dance halls, exotica, experiences which are ubiquitous across Biscayne Bay in Miami proper, but rather less relax-



Miami: It is unsurprising that you share Miami Beach with film crews and fashion shoots

## A liquorice allsort city

Antony Thorncroft visits Miami Beach and is reminded of England's Frinton

The Beach prides itself on its laid back security.

With every corner offering another vista of Edward Hopper's America it is unsurprising that you share Miami Beach with film crews and fashion shoots. But while the showbiz glitterati that flock here revel in the past they also pump money into the new.

A sensational recent opening (apart from Giam Slam, Prince's disco where every customer receives a condom and a toffee) is the re-constituted Delano Hotel. Madonna owns the restaurant and hot designer Philippe Starck is responsible for the interior, a succession of reception rooms divided by billowing white drapes, each with its Alice-in-Wonderland enigma - a dining table projecting from the wall furnishing one vast space, a single spool chair another.

You pass through people who are just "there", to the terrace, to the pool, to the bar, to the beach, an extra in a Fellini movie.

The attraction of Miami Beach is that all this chic stops abruptly around 2nd Street and normality takes over. As you move further north up the seven-mile long Beach you hit economy land - hotels with rooms at \$25; lunch at \$2.95; breakfast at 96 cents, all with the sands yards away. Then suddenly you are back in enveloping luxury at Turnberry, south Florida's grandest golf mecca which, along with a marina, surrounds a hotel which seems to have been transported from the French Riviera. Again prices become almost modest during the English summer.

Apart from acres of featureless beach for children, and clubs and bars which compete, with the latest

laser pyrotechnics and attitude, to be the most post-modern in the land for youth, Miami also offers an attraction for mature British tourists: shopping. Prices are reassuringly lower in Florida, and there is an amazing range of shopping experiences.

Those who know need not be directed to the Bal Harbour shops, a mall so smart that it hides away from casual browsers. Anyone who penetrates its tree-lined cool will find the best of Versace, Tiffany, Cartier and the rest. For the regular tourist, there is a free bus shuttle from the Beach to whisk you to Aventura Mall, which contains 200 shops and stores and the imminent arrival of a multi-screen entertainment complex. For the desperate, a trip south of Miami to Florida Keys Factory Shops offers brand names at discounts.

Miami Beach is easy going. Sitting in the South Pointe Sea Food House, at the tip of the island, watching the sun set over downtown Miami's aspiring skyline, drinking the only beers brewed in Florida - peach flavoured, spiced, you can imagine the range - and watching the liners cruising, within smiling distance, to the Caribbean, it seems positively cosy. It is *ersatz* America, half the population Latin, the society young enough to be celebrating its centenary this year, the atmosphere more Caribbean than Yankee. On top of all these charms, it is still a cheap place to get to, to stay, and to survive.

Antony Thorncroft flew with American Airlines and stayed at Indian Creek Hotel on Miami Beach, a restored 1930s hotel where the staff seem to have as much fun as the tourists.

## The religion of the US ball parks

Michael Carlson goes on a baseball tour

The surest way to be converted to baseball is to be taken to the game. One British convert fell in love simply with the ritual of fans passing orders of beer, their payment, and change, along the rows during the game. "At a football match," he said, "they'd steal the money, drink the beer, and throw the change at the referee."

And the best time to be converted to baseball is during spring training, a six-week exercise period that takes place in Florida and Arizona. Throughout March, teams play a 30-game exhibition schedule, before opening their real seasons up north (or down south, in the case of Miami's Marlins).

Although teams have always trained in warm weather (Bill Clinton's Hot Springs, Arkansas, was a popular site in the early part of the century), spring training as we know it was invented by Branch Rickey. Known as "the Mahatma", Rickey was the Brooklyn Dodgers' general manager who signed Jackie Robinson to break the major leagues' colour barrier in 1946.

"Dodgertown" in Vero Beach, Florida, looks more like a summer camp than a modern baseball complex, but even though the Dodgers now play in Los Angeles, they return east for the spring. During games, manager Tommy Lasorda sits on a bench spending more time talking to the crowd than watching the game.

Spring training is relaxed. The ball parks are intimate, with fans appearing to sit almost on top of the players. The players are accessible. Autographs of sporting heroes are big business in the US, and stars will be followed by signature-seekers, some of whom know to a cent the value of each name on a baseball card.

Spring training is full of the odd moments that define the game. Cal Ripken Junior, who broke the consecutive games played record of Lou Gehrig, "the Iron Horse", (remember Gary Cooper in *Pride of the Yankees*), has played every inning of almost 2,200 games, but in Fort Lauderdale the Orioles will substitute him and he will go to the bench without a murmur.

This is the time when stars stop their drills to watch a hot prospect take cuts in the batting cage. When the septuagenarian in the next seat is someone who saw Lefty Grove pitch, or drank with Jimmy Foxx in a Florida bar, it is when you sit hypnotised by the ball's lazy arc as a coach hits practice shots for outfielders.

All games are played in the sunshine, the way baseball should be played. Bring a hat and plenty of sun block. The cheap seats are not called "bleachers" for nothing.

It is cheap. Tickets start at \$5 (\$3.20) or \$6 for bleachers and the best seats are \$10-\$12. Few games are sold out in advance, so you can check the weather first. It is not peak tourist season, although the team hotels will usually be full.

The distances are close enough so you can sample a variety of teams. Twenty of the 28 major league teams train in Florida's Grapefruit League, which can be reached

### Baseball routes



direct from London via Orlando or Miami. On arrival, stop at a newsstand and buy a copy of *Spring Training Baseball Yearbook*, which provides details about the teams and players, along with maps and information on all the sites.

Competition among Florida towns for spring training sites rivals that of big cities for important sports franchises. The importance to the local economy was highlighted last spring, when the owners brought in teams of "scabs" to replace the striking major leaguers. Attendance plummeted, and the cost to Florida's economy was estimated at more than \$150m.

Melbourne enticed the Marlins north with a beautiful new stadium that sits in the middle of nowhere. Driving down the access road last spring, I watched a bald eagle rise out of the marsh, escaping before the crowd arrived. Florida's development sometimes lets you forget that it is still a natural paradise.

The modern facilities include plenty of practice fields, where the prospects and suspects will stage intra-squad games in the mornings, and where you are free to wander. To be absolutely sure of a game, go to West Palm Beach, where Atlanta Braves, the World Series champions, share City of Palms Park with Montreal Expos. One or the other will play every day. Or try Fort Myers, where Boston Red Sox and Minnesota Twins play in parks on opposite sides of town.

Before the Red Sox left Winter Haven for Fort Myers, they asked the Twins what their new home would be like. One Twins' coach surveyed the grounds. "See all those old folks?" he asked. His Sox counterpart nodded, puzzled. "Their parents live in Fort Myers."

Although Middle America sees Miami as Capone's Chicago moved south for the 1990s, Florida otherwise is seen as a giant retirement village. Spring training gives you the chance to see one of the last aspects of the pastoral life Americans used to cherish, in the one month a year when those little resort towns go big time.

Don't feel put off by not knowing the game. "Baseball is like church," said former manager Wes Westrum, "many attend, but few understand."

I was in a large, crowded Cantonese restaurant in Hong Kong island's busy Causeway Bay area, being hunched by a film director.

"Have you tried this before?" he said, beckoning a steaming bowl from the dim sum trolley waitress. "It is pig's knuckles." I did my best to look enthusiastic as a large piece of something resembling orange-coated gristle found its way to my plate.

"And these are squid tentacles," he said, springing from the waitress another bamboo bowl containing steaming snake-like things with suckers.

I looked longingly at the tea pot, which contained the only thing so far I felt happy about consuming.

Then it all got better: not just the food, as we reached safe haven with prawn dumplings, spring rolls and sticky rice in lotus leaves, but my whole first trip to this beleaguered outpost of democracy stuck, for a few remaining months, to the edge of China.

I cannot remember being so love-struck by a place at first encounter, or getting more love-struck as time went on. Three things caused the *coup de foudre*.

First, I was grateful the aeroplane came down at all in an airport cunningly booby-trapped with skyscrapers.

Then I experienced a theme-park-style taxi ride: a riot of tunnels, spaghetti flyovers and dazzling harbour views. (Oh look, a floodlit junk boat was it a phantom? I never saw it again.)

Finally, I was thrown off more by the slowing of centrifugal force than any more normal taxi-exiting process, at the mal tax-exiting process, at the Excelsior Hotel, a bewitchingly comfortable pad right in the

middle of Causeway Bay.

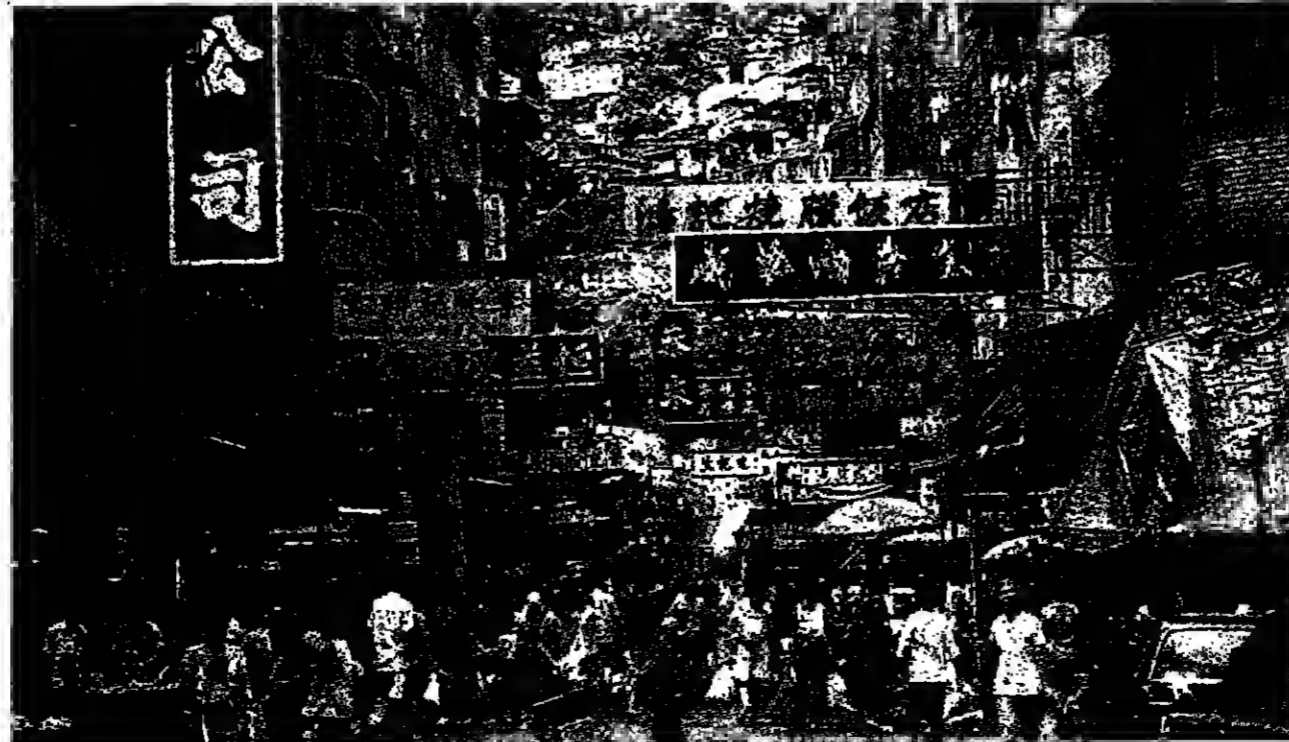
You should not stay in any other area on the island. Further west lie the glossy pleasures of Central district, full of billionaire high-rises and hotels designed to speed you towards bankruptcy. But Causeway Bay is a raggle-taggle jumble of shops which do not close until 10pm and street vendors who barely close at all.

The late-evening crowds are lit up, if not by rice wine or Hong Kong beer, by that permanent firework display known as the Hong Kong street sign. The blazing ideograms hang everywhere, yellow, red, green and mango-orange, like undeleted explosives from heaven.

It could be a movie set: *Blade Runner* out of *Shanghai Express*. But you would not get the smell on a movie set, and even this you come to cherish.

Every Cantonese duck that ever died and was embalmed in mouth-watering glazes; every dried fish hung for weeks in a restaurant doorway; all the steam from 100 stir-fry carts, dispensing rice-and-pork or octopus or Chinese sausages. Think of London's Gerrard Street, multiply by 100, and give up and enjoy.

If this article seems food-obsessed it is because Hong Kong seems food-obsessed. Or perhaps the food is committed to a headlong riot of consumption as 1997 looms, when the good times may stop rolling. Even when I took a Sunday walk through nearby Victoria



Hong Kong: crowded, exciting and food-obsessed

Park, partly to escape the cooking smells, every greasy billock was filled with picnicking families. There were steaming take-away carts, flickering birthday cakes, bowls of fried rice.

"Ah yaa," someone later explained, "that is the Filipino maids." Thus I learned of another mass-consuming ethnic subculture, one which apparently swarms on to the streets (causing traffic jams) and into the parks every weekend.

Will the party end? There was some crying of woe and still exultant, a high-ranking police officer told me, a protection stranglehold on commercial businesses.

According to Detective Chief Inspector Tony Deakin, businesses in Tsim Sha Tsui, the waterfront shopping district across the harbour in Kowloon, patiently put up with the protection payments required by Triad gangs.

"Why don't they protest to the police?" I ask.

"They're very reluctant to come forward. They don't want to admit what they're doing. It's easier just to make the monthly payments."

And if they don't? "Then sometimes a hotel will get 100 people, dressed very casually, sitting down to drink one cup of coffee," Deakin, a senior officer in the colony's Organised Crime and Triad Bureau, in Causeway Bay, shrugs and says it is something the Hong

Kong Chinese live with.

With almost no state welfare system many poor people juggle several jobs at once, and many jobs, if not the wrong side of the law, can be ingeniously off-the-wall and improvisatory.

Like the man and woman who run a stall on the two-hour harbour boat cruise and will write your name on a souvenir fan in Chinese ideograms. Then, for a few dollars more, they will give you a complete run-down of what your name means in Chinese. "Nigel. How you spell that, please..."

Or there are the street food stalls - back to HK's favourite commodity. No inscrutable Orientalism here. The vendors practically jump out and ambush you: try a bit of spicy pork on a stick; have a bowl of snake soup; eat this; drink that.

And if you are so choosy as to eat in a sit-down restaurant, do not expect quiet service. There are a dozen waiters or waitresses to each table. They bombard you with courses, sweep away your plate during your last mouthful, ply you with more rice or tea, insist you have a hot towel to wipe your hands and mouth, and then present you smilingly with the bill.

It is large, but who cares? The food is so good and you can choose a different restaurant from any area in Asia: Szechuan, Guangzhou, Korea, Thailand, Vietnam and, my favourite, Indonesia.

Try the delicious and relatively inexpensive Restaurant Indonesia in Lockhart Road. Even the restaurant unpromisingly called Vegi-Food Kitchen in Cleveland Street has succulent dishes, though you may pause at a menu that includes "black moss" and "elm fungus".

Then again these may be dubious English transliterations. In its indefatigable bid to reach out to all visitors, Hong Kong throws the lexical works at them.

I marvelled at one restaurant window with a menu advertising something called "Stewed of turnip with ligusticum", in between the equally appetising "Baked fish maw and sinew" and "Cook in oil of ostrich with polycyldium".

Hong Kong does not let the visitor rest from sense experiences, culinary, linguistic or scenic. Near the end of my stay I took the funicular up to Victoria Peak and gazed down on the statutory but still stunning view of white skyscrapers at the feet of green mountains.

Then when I came down a Hong Kong friend said: "But you can't leave without seeing that view at night!" He offered to take me himself the following evening. But we got caught up, like the rest of Hong Kong, in a last, very long meal.

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BOOKS

# The balance of power preserved

**BRITAIN AND THE DEFEAT OF NAPOLEON 1807-1815**  
by RORY MUIR  
Yale University Press £29.95, 384 pages

It is rare nowadays to find virtually unstinted praise of British foreign policy, especially when related to Europe. Yet here it comes from Rory Muir, an Australian scholar who has meticulously combed the Wellington and other papers at the University of Southampton. The subject is Britain's role in the defeat of Napoleon in the period 1807-1815.

Muir is far too good a historian to put it down entirely to the brilliance of British diplomacy or, still less, the superiority of British military strategy. There are lots of "ifs" and "buts" along the way. There was always the element of chance. Other people made mistakes. Above all, if Napoleon had not over-reached himself by marching on Moscow in 1812, the Europe of the rest of the 19th century might have been very different.

Nevertheless, the story Muir tells is one of mounting British determination, perseverance and ultimate success. It started from a very low base. Britain had no continental allies while France, united under Napoleon, was becoming stronger

than ever. The primary British interests were to prevent French domination of the Low Countries and to preserve the balance of power in Europe.

The initial British reaction was to fight in the Iberian peninsula. This was an irritant to Napoleon, but not lethal. As time went by, however, British persistence in the peninsula helped to persuade other European countries that the emperor could be checked and, after the retreat from Moscow, there was a concert of powers ready to bring him down. The final result was that after a generation of almost continuous war in Europe, there was then a generation of almost continuous peace.

Muir is also too pure a historian to make comparisons with

Germany. Once France was defeated, however, there was no great desire to humiliate it. Instead the aim was to restore it as a great power among several. France, for example, could become useful in preventing the rise of too strong a power in central Europe, and there were already fears of the rise of Russia.

Indeed the Treaty of Chaumont, signed in 1814, bears some remarkable resemblance to the Nato Treaty signed well over 100 years later. It was a system of collective defence seeking to guarantee the signatories against French aggression and promising mutual assistance.

One can also use the 1807-1815 period to show how essential it is for Britain to

maintain a close involvement in European affairs. Neutrality was not an option in the face of a potentially united continent, especially as the US, with which Britain was briefly at war, favoured the continentals. (In a foretaste of later superpower status, Moscow actually offered to mediate between London and Washington.)

But the British involvement did not come cheaply. Muir estimates that there were up to 80,000 British deaths in the peninsula alone. The financial costs mounted steadily. In 1807 the national debt was £618m; by 1815 it was £834m - or £43 for every man, woman and child in Britain and Ireland.

Still, the war remained popular, or at least acceptable, at home and the final victory at

Waterloo gave Britain a self-confidence which lasted almost a century, indeed until - Muir suggests - the events on the Somme in the first world war.

Apart from the poor bloody infantry, the main heroes were the Duke of Wellington who kept the peninsula war going before moving on to even greater triumphs, and the foreign minister, Castlereagh, who was responsible for much of the diplomacy, yet there was also an unusually steady set of ministers in London. Muir singles out Lord Bathurst at the war department who has received barely a column in the *Dictionary of National Biography*.

The book contains some delightful anecdotes. Who now remembers that after Napoleon had escaped from Elba and been recaptured, Castlereagh (of all people) suggested that he should be detained in a fortress in Scotland? Lord Liverpool, for once, turned him down.

Malcolm Rutherford

# The great fossil hunt

The cleverest people are clever enough not to tell you how clever they are. They just get on with being interesting. Stephen Jay Gould, the popular paleontologist from Harvard, comes perilously close to failing this test in his seventh book of essays. Gould is an acknowledged master of the modern scientific essay, and he knows it. He has been writing monthly for 20 years on evolutionary biology, displaying a broad liberal mind, wit and impressive scholarship. And he can capture the excitement of scientific enquiry at full gallop.

The obscurest fossils become clues in a gripping story of intellectual suspense about the grand mysteries of nature. He showed this talent in his prize-winning book, *Wonderful Life*, an exciting account of how a large fossil find in the Burgess shale in the Canadian Rockies at the beginning of this century was re-evaluated.

Despite its deserved success, the odd structure of this book showed that Gould's natural habitat is the essay. His first volume (*Ever Since Darwin*, 1977) had a freshness and attack that later efforts did not always achieve. What fun it was to join Gould then, slaying giants alive or dead, laughing gaily at every paradox as he pierced another false argument to the heart.

He could be generous to his foes, especially when the reader was safely tied up in his conclusion. Darwin was right - but in what strange ways, with what apparent contradictions, and with such discussion among his followers. These themes were pursued from broad generality to the oddest detail in a way which made evolutionary biology entertaining and accessible.

It is a pity, therefore, that he is becoming rather grand-old-mannish. In the preface of his latest collection, he compares himself unashamedly with Montaigne and boasts of his intellectual prowess in a phrase worthy of Jane Austen's Mr Collins: "I did receive one great gift from nature's preeminent goddess, Fortuna - a bappy conjunction of my own hypertrophy with maximal utility in a central professional activity." Yes, he has a good memory, and as he further informs us, a knack of

making connections between the bits of flossam sucked into the vortex of his mind.

He is less pompous in the essays, but does show a tendency towards what one critic of the novelist George Meredith called "vulgar cleverness". He is fascinated by his own devices, spinning conceits so industriously that one wonders whether he has forgotten what he meant to say. His first essay, *Happy thoughts on a Sunday*, *Days in New York City* is full of such clever animal-visions, but what did it amount to? One did not ask that question 20 years ago.

After this poor start the book improves. By essay nine, when Gould is back to his favourite topic, fossils of the Cambrian

**DINOSAUR IN A HAYSTACK**  
by Stephen Jay Gould  
Jonathan Cape £18.99, 480 pages

period, the magic has returned. Soon he is exhorting a forgotten 19th-century author for the belief that God showed a wise purpose in creating the shipworm. This is vintage Gould: astonishingly detailed research into an apparently worthless subject, yet all conjoining to an incisive general conclusion. And yes, the dinosaur is discovered at last in a "haystack", thus supporting a gripping theory about the last great extinction.

Yet by essay 32, third from last, he has become irritating again. Gould wants to share a memory about Verdi's opera *The Masked Ball*, and something on the Swedish 50 kroner note. It turns out that Linnaeus, the great 18th-century classifier of biological species, was Darwin's inspiration even though they believed in opposite theories. Interesting. But now remember that King Gustav III, who is on the same 50 kroner note as Linnaeus, was the subject of Verdi's *Masked Ball* (in which, as in life, Gustav was assassinated). So also, Darwin and Linnaeus, in different ways, both unmasked biological truths...

Who was the man who said: "Le grand ennemi est de tout dire"? Voltaire, probably. Gould will know. Could make an essay.

Max Wilkinson

## Short Stories/Susanna Rustin

### Looking to their roots

David Guterson's first novel, *Snow Falling On Cedars*, sold 200,000 copies in the UK last year and grossed more than £1m. Now his first collection of short stories, *The Country Ahead of Us, The Country Behind*, published in the US several years ago, has arrived in the UK (Bloomsbury £5.99, 181 pages). Emotionally charged and intensely atmospheric, these are boys' stories about growing up. Most are set in the great American outdoors: fathers and brothers hunt, fish and play basketball.

In "Opening Day", a man on a shooting expedition finds himself caught between the enthusiasm of his son and the reluctance of his father. A young man cries when asked by his brother if he killed anyone in Vietnam in "Wood Grouse on a High Promontory Overlooking Canada". Set against the backdrop of a middle-class American home complete with hot tub and intercom, "Piranhas" is memorable for its graphic dramatisation of a 12-year-old's hatred for his parents. Written with compassionate intelligence, Guterson's stories make instructive reading for girls.

While Guterson's stories have their roots in the past, George Saunders's brilliant debut, *Civil War Land in Louisiana* (Jonathan Cape £9.99, 178 pages), looks to the future. His stories describe a post-modern landscape in which history figures as a commodity simulated in the theme parks which are his settings. This is a land where money talks and the dispossessed are locked out, a culture of piped Muzak, evangelical sects and telephone counselling, in which gangs run wild.

Technology and the supernatural collide to produce a grotesque vision. The hero of the title story witnesses a family of ghosts compelled to reenact their mass murder before he is murdered himself. In "Offloading for Mrs. Schwartz" a man downloads his memory and sells it to a school as a teaching aid.

All are related with wit and invention. But while their protagonists are guilty and miserable souls, these stories are not without tenderness. "Bounty", with which the collection ends, sympathetically describes a man's journey across America to rescue his sister.

In *A Stranger in This World* (Viking £13.50, 180 pages) Kevin Canty's dark and atmospheric stories are set in a violent and joyless present. Canty lacks irony and seems rather to abandon himself to nihilistic gloom: "Something needed to happen. Wreckage would suit him as well as anything else." Sex for his characters is a compulsion rather than a pleasure. A stoned, apathetic lifeguard, full of useless anger is one of Canty's more tangible characters.

Ginu Kamani lives in the US but was born in India, and it is there that most of her stories in *Jungle Girl* are set (Weidenfeld & Nicolson £14.99, 185 pages). A wary observer of social hierarchies, Kamani writes about domestic relations, families and servants, sending up her characters without a hint of superiority. Her accounts of sexual awakenings are alternatively funny and obscene, ranging from the naughty schoolgirls of "Lucky Dip" to explicit details of a girl's encounters with a servant and a doctor. Fluently written, *Jungle Girl* brims with life and generosity.

Brought up in Pakistan, Shahrukh Husain lives in London, and *Women Who Wear the Breaches: Delicious and Dangerous Tales* (Virago £12.99, 267 pages) belongs to a British tradition which has thrived, care of Virago, since Angela Carter. I confess my heart sank at the volume's introduction, which so clearly sets out its cross-dressing agenda. In the event I succumbed to the charms of talking houses and age-slaying princesses without a struggle. Husain's touch is light, her enthusiasm for the stories infectious. And while her point is at times overstated, there is something refreshing in the legend of Mary Anning who rejected a prince and decided to live a spinster.

## Lost treasure restored

Sylvia Plath, one of the last writers you would associate with jolly infants' stories, has had a surprisingly successful posthumous career in children's publishing. In 1976 Faber brought out her long poem, *The Bed Book*, to great acclaim and now her papers have yielded up another treasure. *The It-Doesn't-Matter Suit*, a wise and witty story, set in Plath's father's homeland of Bavaria, about a little boy, seven years old and with rather too many brothers, who longs for an "All-Year-Round" suit.

It seems that Max Nix's wish is destined to remain unfulfilled, until a huge parcel arrives in the post. Nobody knows who it is for nor where it comes from but inside is a wonderful "woolly whiskey, brand-new, mustard yellow suit". One by one each of Max's six handsome older brothers tries on the suit, imagining himself wearing it as he goes about his daily business and then reluctantly deciding that he is too grown-up for such a flamboyant

**THE IT-DOESN'T-MATTER SUIT**  
by Sylvia Plath  
Faber £8.99, 41 pages

piece of clothing. Eventually Mama Nix, a dab-hand at sewing, has made so many nips and tucks in the material that there is not much of the original stuff left - just enough perhaps to fit a seven-year-old boy.

Max wears the suit with pride - so it doesn't matter that no one in his village has seen anything like it before, and because the suit is so thick and yellow it doesn't matter when Max falls into a snowdrift or gets covered in straw while milking the cows. Before long Max has become something of a local hero, envied by his schoolfriends and cooed over by the villagers who follow him around, gossiping about his sartorial style.

Plath wrote *The It-Doesn't-Matter Suit* almost 40 years ago, just four years before her suicide in 1963, but it has a freshness and sense of suspense about it - enhanced by Rotraut Susanne Berner's cheerful illustrations - that will intrigue even today's sophisticated children. Adult readers, on the other hand, will have fun marvelling at the lost treasures it contains within its pages: a mother who stays at home sewing, fox hunters unmolested by animal rights activists and a small boy who would rather own a suit than a pair of Nike trainers.

Carolyn Hart

A 40-year-old children's story by Sylvia Plath is cheerfully enhanced by Rotraut Susanne Berner's illustrations

# A great leap backwards

Susan Whitfield on a nostalgic but informed account of modern China

Following a visit to China in the late 1950s during the Great Leap Forward the American journalist Edgar Snow rejected reports of rural famine, yet nowadays the consensus is that 30m died.

The fact that the famine in the Soviet Ukraine was similarly denied by westerners in 1932-33 highlights the ease with which intelligent observers participate in propaganda.

Many other China watchers reiterated Snow's conclusions, even as the tragedy was being reported in the American press. Eager for communist success they were blind to its failures, and the picture of reality they presented was thereby culpably flawed.

John Gittings first visited China in 1971 during the Cultural Revolution, a movement which received widespread popular support in the west,

renewing hopes in the potential of communism. Again, it was years before many academics and journalists could bring themselves to admit that their hopes had been badly misplaced and that the real "China" had been presented was another piece of Chinese propaganda.

Western journalism almost invariably follows debate in China, which itself is government led. In the late 1970s the Cultural Revolution had become a byword for excess, for the unsavoury results of anarchy. It was viewed as one of Mao Zedong's mistakes, yet which had moved beyond his control. The following decade saw the theme treated in film and literature with increasing confidence.

But, 20 years on, another "reality" is emerging. Red Guards, tired of being portrayed as villains of the piece, have started to challenge the image of a society in chaos. And, following this up, a western scholar recently

argued, rather convincingly, that the Cultural Revolution was a well-orchestrated and state-controlled political purge, identical in most ways to Stalin's reign of terror, even still calling itself a people's government.

An example of the former was seen in the recent television documentary on a Shanghai orphanage. The doctor who had brought the charges of abuse was sacked and forced to flee the country, while those condemned in the official report are even now in high positions in the Shanghai government. To illustrate the latter, Gittings reports cases of peasants who dared to challenge the legality of the imposition of prohibitive taxes and

explores the over-riding concern of bureaucracy to protect itself rather than pursue corruption within its ranks and the authorities' fear of peasant and workers in a system still calling itself a people's government.

**REAL CHINA: FROM CANNIBALISM TO KARAOKE**  
by John Gittings  
Simon & Schuster £15.99, 311 pages

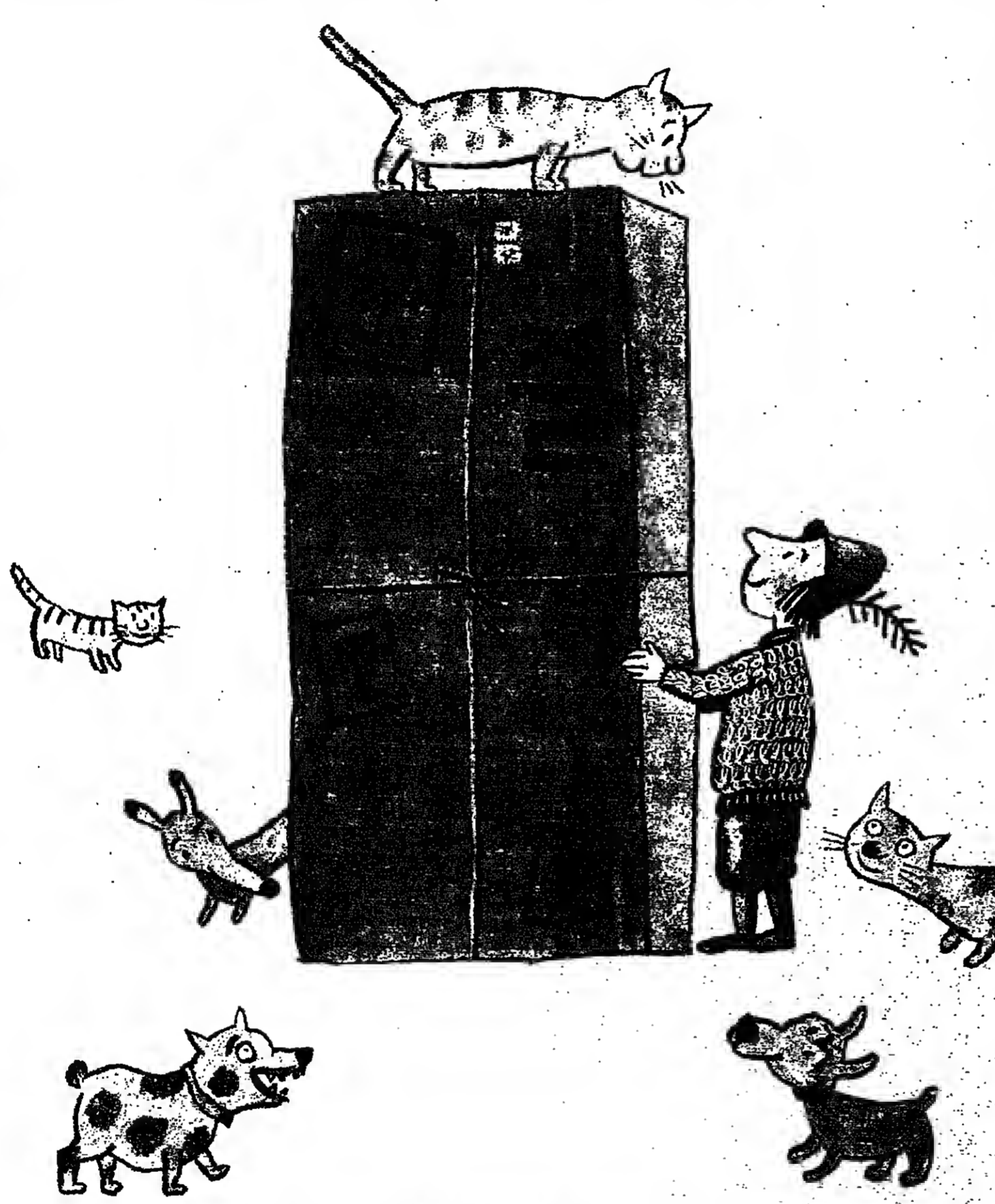
who have been silenced by imprisonment.

The increasing use of law to challenge the system is still largely unsuccessful but does point to a trend which provides some hope for checking corruption in the future, should the judiciary ever acquire independence from politics. In the meantime the Chinese government's inability to cope with any challenge, however small, to its authority is building up a wall of discontent, even in remote rural areas.

Calling his book "Real China" is necessarily a provocation - the China of a rapidly growing urban economy is also real, as is that of urban poverty and exploitation - but at least he criticises the definite article, leaving open the possibility of a multiplicity of real Chinas.

A more serious charge is that of orientalism, to which anyone involved in China is susceptible. Despite our search for the exotic, human cultures are more similar than not. This

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ARTS

# Maverick director made good

Lou Stein on a spirited defence of the off-beat work of Mike Leigh

Michael Coveney, better known for his barbed and fiercely individual theatre criticism, is making quite a reputation for himself as a chronicler of the theatre's great and good including Maggie Smith and the late Robert Stephens. The newest addition to his stable is a welcome tribute to the unique work and world of Mike Leigh. Coveney is, though, tackling much trickier territory with such an ambivalent and complicated character.

Leigh is known in this country largely through the success of *Abigail's Party*, the comedy of grotesque 1980s manners which launched the career of his actress wife, Alison Steadman. Many other actors have been made popular through Leigh's work, including Jane Horrocks in *Life Is Sweet* and David Thewlis in the dark and brooding film *Naked*. His work is an acquired taste for the casual film or theatregoer. But when he hits the mark, as he did with *Naked*, his vision is distinctive, painfully funny and unmistakably British.

Leigh hates the word

Improvisation, although he begins his projects with no script, no outline and no pre-conceived story structure. His method depends on the casting of an ensemble of game actors who research and develop a character based on someone they know. They then throw themselves

**THE WORLD ACCORDING TO MIKE LEIGH**  
by Michael Coveney  
HarperCollins £18, 288 pages

into a rigorous rehearsal process of observation and discussion which can take months. Putty in Leigh's hands, the character-immersed actors are thrown into a developed sequence of simple situations: "Wendy confronts Nicola"; "John and Sophie meet"; "Lorraine and Billy go to bed" and so on. The real improvisation emerges from the way Leigh playfully manipulates

the characters to arrive at a finished film or play. In *The World According to Mike Leigh*, Coveney tries to give an understanding of how the off-beat and uncompromising theatre director became a British film legend in the making who manages to keep control of his own films and direct McDonald's ads with equal autonomy. Coveney's purpose is clear: he reverently builds a case for Leigh as a great "maverick artist" of theatre and film whose place in the top ranks of British genius should be unquestioned.

The book begins in Soho with the first cast and crew get-together for Leigh's latest film ("Untitled '95") and ends in Chingford two weeks into the filming. In between is a cleverly constructed picture of Leigh's artistic and personal life from boyhood in a Jewish *Habonim* family in Salford, through formative bohemian years as an



Mike Leigh: acquired taste actor and director of theatre on the 1980s fringe to his development as a mature auteur of the 1990s. Coveney writes about Leigh's middle-class Jewish background and builds an affecting picture of

the director's inability to come to terms with it in his youth. The rejection of his roots is shown to be an inextricable part of his personal contradictions and creative drive. There is a marvellous point in the book when this theme pays off. While he is working in an Australian drama school in the mid-1980s, he learns of his father's death. Thoughts of his inability to get close to his father while he was alive prompt Leigh to go on a soulful trip to China. He disappears into a strange culture which helps him come to an understanding of his own alienation and despair. Leigh's crisis with his work, his family and his background comes to a moving psychological climax.

However, Coveney's personal picture is sometimes obscured by overly zealous accounts of Leigh's major and minor works including a relentless defence of Leigh's view

of the world against such assailants as David Hare, David Edgar, Julie Burchill and Pauline Kael, the legendary New York film critic. He continually thrusts and parrys against accusations of the film-maker's occasionally questionable point of view, particularly when Leigh deals with lower-middle-class values and victimised women.

And this is the fatal flaw in the book - Coveney is so close to his subject that his usual objective and penetrating critical eye succumbs to a one-sided defence. In the end, it weakens the reliability of the picture he is trying to create. Though Coveney's book is a detailed and meticulously researched compendium of the *Life* and *Times* of Mike Leigh, he seems uncharacteristically shy of really questioning the attitudes which might bring us to a real understanding of how they inform Leigh's work.

It is however, chatty, clever, and readable if you are a Mike Leigh fan or "in the business". If not, you will have to pick your way through actors, films, and plays which you do know to really enjoy it.

# Duality reality

Marjorie Garber has had a vision of bisexuality. Or rather she has discovered a mathematical diagram which, she believes, will enable us to understand the psychic experience of swinging from one side of the sexual pendulum to the other and back again or not. No wonder the book jacket excitedly and misguidedly talks up her weighty tome as "trail-blazing and guaranteed to challenge everyone's preconceptions about love, desire, sex gender and identity."

Professor Garber's visionary diagram is the Mobius strip - a surface having only one side and one edge. This envisioning strikes me as both pompous and absurd. Even a metaphorical connection between the strip and the bisexual person is hard to glean. It elucidates nothing. But Garber's imagining is characteristic of her attempt to endow bisexuality with pristine significance.

For it is *Vice Versa's* governing conviction that bisexuals are devastating saboteurs of false values. They should not, she eloquently insists, be categorised as transients who cannot make up their minds, who aimlessly respond to calls of nature from both sides of the fence. They apparently hazard a trial to the sexual landscape in which we all truly belong.

For Garber "suspects" bisexuality "undoes sexual orientation as a category, threatens and challenges the easy binaries of straight and gay... and even through its biological and physiological meanings, the gender categories of male and female."

This breathtaking constructionist view of sexuality sees it as culturally conditioned and arranged. It harks back to the 19th century when, for example, homosexuality was not recognised as an identity and huggery was reckoned a chronic depravity to which everyone might succumb. In another, unfortunate word - and Garber uses it - sexuality is "fluid" not

**VICE VERSA**  
by Marjorie Garber  
Harvilld Hamilton £25, 606 pages

"fixed", a "narrative" that people make up as they go along their lives.

There is obviously some sense in avoiding a rigid taxonomy of sexual orientation by which people are supposed to exist. It is quite legitimate to argue that there is no such firm thing, for example, as heterosexuality - just a series of sexual acts and the deep cultural behaviours closely associated with them. But the very word orientation - "determination of one's position in relation to circumstances" - hardly denotes a fixity. And an attempt to challenge the fact of gender categories on the basis of the human capacity - whether activated or not - to behave bisexually is something far more sweeping. Does biology have no validating function? Is gender - with its defining bits and pieces - merely a myth or mistake? No surprise then that the author, a professor of English at Harvard, attempts her iconoclastic mission fitfully and does not manage to fulfil it.

The book's main function is to cast a very roving eye over the insufficiently recognised or disclosed history and culture of bisexuality and its important role in literature and life. The prevailing academic tone and rather rambling narrative is sometimes curiously relaxed as Garber plunges into the world of television confession programmes and controversial magazine articles where assorted Americans happily confess the pleasures and pains of bisexuality.

Freud, to whom Garber pays close, provocative and critical attention, wrestled continually with the "commundrum" of bisexuality, the "fact of the bisexual potential residing in all human kind. *Vice Versa*, at a stroke, solves the commundrum. Garber's act of supposed liberation is to suggest that it is a mode by which one can live in happiness and fulfilment.

That of course can be true. It depends on many circumstances. But her book would be more bracing if it more rigorously considered how a world in which bisexuality was a commonplace would and should change our existence, supposedly monogamous marriage and family relations. Instead Garber trends a not unfamiliar literary path ranging from "Thrasias in ancient Greece to bisexual bohemians and artists in London and New York before the second world war. The real and the fictional - Tennessee Williams's football hero in *Cat on a Hat Tin Roof* and a bisexually stricken Mormon in Tony Kushner's *Angels in America* jostle more than a touch randomly with Vita Sackville-West, Harold Nicolson and Virginia Woolf putting a different complexion upon married existence.

All bisexual life is here, or almost. That is Garber's insistent point. Those who have been described as sexuality's chronic misrepresenters and misappropriators, are in fact true to all of us. They engage in those diverse sexual regions where the timorous fear to tread but could if only we would. They are our future. That is the author's huge simplicity, and it is not new, despite the comprehensive survey of the terrain.

Nicholas de Jongh

# Art, sex and the unmasking of a perfect Victorian

His heroes may reflect his existential angst, but Mann was a bourgeois family man at heart argues Jackie Wullschlager

Thomas Mann was a sober, bourgeois German who married, had six children, wrote a famous novel (*Buddenbrooks*) and an even more famous short story (*Death in Venice*), and won the Nobel Prize. Bizarrely, this respectable and rather dull life has proved an irresistible draw to modern biographers: this is the third account of Mann to appear in six months. What were his magic attractions? Mann would have been amazed, but the answers are art and sex. On the former, he embodies our century's idea of the alienated genius who chose to suffer in order to create. "The fact remains that healthy, strong emotion is always insipid", he said. "An artist is done for as soon as he becomes human and begins to feel". In his introspection, his dedication to his craft and his exile from Germany on account of it, he is one of the first examples of anguished modernism.

On sex, by contrast, Mann was not modern at all - and that is the other half of his appeal. Born in

nor so long had they not been interrupted by the first world war.

Like Proust, Mann had homoerotic interests. Unlike Proust, however, and other key modernist figures such as Joyce, Mann never tried to throw off the shackles of bourgeois respectability, and wanted nothing more than a conventional family life. It is in failing to sympathise with this that Hayman's biography comes unstuck.

There is no evidence to suggest that Mann was anything other than contentedly married. "You cannot believe how touch I love this creature", he wrote when he was courting his wife Katia. "I dream about her every night and wake up with my heart hurting all over. I have tasted too much of her to be able to withdraw". He produced four children in six years and two more when he was in his 40s, and his diaries are full of sentimental devotion to Katia, his babies ("Alone with the dear little one who has kicked off her blankets"), even the family dog.

But they are also full of fantasies about young men. The highlight of each summer holiday was watching boys on the beach - as Aschenbach watches Tadzio in *Death in Venice*. There was an obsession with a tanned athlete who turned cartwheels on the sand, known to Mann as "Boy Joy". At 40, Mann remembers a romance with a boy: "I actually knew happiness, held in my arms someone I really longed for".

Many of Mann's contemporaries would probably have understood this duality; others would have recognised the old man's nostalgia for adolescent awakening. Hayman, however, brings to all this a late 20th-century sensibility which is much less tolerant, and which rewrites the case to expose repression in every corner.

Thus "Thomas's decision to get married was like a punishment he imposed on himself". He wanted his wife's wealth and connections but "though they often made love... he'd never taken much interest in the female body, and didn't begin to". Unforgivably, in the instant-gratification 1990s, Mann puts respectability before sexual fulfilment: "Excited though Mann had been on his own Venetian holiday he had jeopardized neither his reputation nor his health. It might have been harder to control himself if he hadn't had fiction as a safety valve".

For all Hayman's penetrating criticism, this leaves Mann's fiction looking like neuroses recycled on a printing press; while on the life, Hayman's relentless process of unmasking reduces the human drama to banalities ("He could be himself only in private"... "He could go on releasing guilt feelings by offloading them on characters").

Hayman is one of a number of recent biographers - Morton Cohen on Lewis Carroll, Jan Marsh on Christina Rossetti - who have irredeemably misread their subjects by applying late 20th-century ideas about the centrality of sex to people for whom sex patently was not the most important thing in life. When future generations look at these interpretations, they will think our attitudes here as one-dimensional as those of the stiffest Victorians.

**THOMAS MANN**  
by Ronald Hayman  
Bloomsbury £20, 672 pages

1875 in Lobeck and formed by the 19th-century German culture of mercantile property, Mann is for English readers the perfect Victorian - an unwilling-to-be-unmasked. He had sexual secrets, a diary whose titillating thoughts bore no relation to his outer life, and so he is a target for contemporary knowings to gloat over 19th-century hypocrisy and repression. Hayman does this with aplomb: the mix of vulgar prejudice and sensitive appreciation here is a reminder of how close literary biography is to tabloid expose.

First, Mann the artist. *Buddenbrooks*, says Hayman cleverly, was a hit by being a novel about decadence which was not itself decadent. Recounting the decay of his own family, Mann fixed the decline of the European bourgeoisie, conveying an exceptional sense of "bourgeois patrician dignity: the dignity that derives from the slow movement of solid wealth". Published in 1901, the book made Mann famous at 25. It caught the mood of the new century and sold 1.3m copies - the most popular novel in quiet-Hitler Europe apart from *All Quiet on the Western Front*.

Hayman makes a convincing case for Mann as "the last great European man of letters". Not only did his fiction reach the sort of mass audience that today television alone commands; he spoke to that audience in a way that television cannot. For "there can be no visual self-confident to the sophisticated self-consciousness of Thomas's characters... their links with society and the pressures on their psychic integrity".

Hanno in *Buddenbrooks*, Tomio Kroger, Aschenbach in *Death in Venice*, are all versions of Mann in his existential angst. So are the patients in the sanatorium in *The Magic Mountain*, which Hayman perceptively compares with *A la Recherche du Temps Perdu*: both are high points of modernism which would have been neither so good



A teat day in Collesano, Sicily, in 1990; photographed by Giuseppe Leone, who runs a photographer's shop on the island, taking pictures of rites of passage, weddings, family parties and public celebrations. Born in Ragusa, Sicily, in 1936, Leone is regarded as one of Italy's leading photographers. His pictures are the subject of "The Island of Sicilians" (Dewi Lewis Publishing £25, 115 pages), which includes a text by the critic Diego Marmorio.

# Magic in the shade of the bomb

Jon Turney explores religion, ritual and particle physics in New Mexico

The arid, mountainous landscapes of New Mexico are a superb vantage point for anyone who wants to make sense of the ways humans try and make sense of their world. Here, three cultures, Indian, Anglo and Hispanic, are still evolving side by side. Here, too, the upstart cultures of science are reshaping all our perceptions, from the atomic physicists' playground at Los Alamos and through the cool, computer-driven modelling of the newly-fashionable Santa Fe Institute.

This beguiling book is a tour of the country there, and of its belief systems. George Johnson, a New York Times science writer, has written an unusual popular science-cum-travel book. It sounds an uneasy combination, but it works. It works largely because of the breadth of his sympathies, and his insistence that the inquiry which guides his journey really matters: who has the best answers, Catholics or complexity theorists, the physicists charting the dance of invisible particles or the Indians dancing to keep the universe in being? All of them, he shows, have invested heavily in their own maps of reality. And all are subject to similar temptations to confuse the map with the territory, to underestimate the limits to their understand-

ing; all are finite creatures contemplating the infinite. There can be no doubt whose system produces superior practical results. The atomic bombs built at Los Alamos worked in a way that no Indian magic ever could. Yet he hesitates before concluding that this means the physicists have better access to ultimate reality. They have no more guarantee that their brains have evolved to comprehend what is actually there than their non-scientific predecessors. They, too, are stretching the grid of their particular order over an often confusing landscape, but are they seeing more order than is actually there?

In this vein, Johnson offers lucid outlines of the scientific views, from geology, cosmology, quantum theory and particle physics, emphasising the chains of inference and assumption on which each inevitably rests. Rocks are dated from other rocks. Stars and galaxies are placed by measuring the distance to fill a gap in the equations, then conjured up in the bowels of accelerators which register their presence as flashes of light in a detector built to see just them. All are made to fit inside theories which define some information as relevant, some not. Being a scientist means being able to tell signals from noise.

These penetrating reflections on how science now operates are interspersed with visits to those who see the world in other terms, drawn from other maps. Most vividly, he reports on the world as seen by the Teva Indians, who have preserved their stories about the origins and structure of the universe in the face of Spanish Catholics, American anthropologists, and modern materialism. Today, they are likely to work as support staff at Los

**FIRE IN THE MIND: SCIENCE, FAITH AND THE SEARCH FOR ORDER**  
by George Johnson  
Viking £18, 379 pages

Alamos, but they still return to their pueblos to enact the seasonal dances which mark the rhythms of a different cosmos, hult from different categories. The insistent pressures of the outside culture mean that these apparently timeless rituals may not last much longer. And even as the Indians are tempted out of adobe and into trailers with TV hookups, new tribes are on the rise, with elaborations of the scientific culture. The answers to questions about the origin of life and the maintenance of order being

advanced by the complexity theorists of Santa Fe are raising echoes throughout the intellectual world.

In this way, Johnson offers a spectacular tour of the most compelling theories of current science, enough for several popular science books. But for all his obvious love for science and scientists he avoids suggesting that science has all the answers worth having. Although no relativist - he is quite clear about which culture is in the ascendant, and why - he is as interested in what different belief systems have in common as in what divides them.

This makes a refreshing change from the zealotry of some popular proponents of the scientific view, like Richard Dawkins. That arch-Darwinian, and inventor of the selfish gene sees astrology, say, and other beliefs he deems irrational as irreconcilably opposed to science. Johnson, rather, sees them all as stemming from the same underlying impulse - and overwhelming - human impulse, to create order out of the messages we extract from a complex, often bewildering world. His readers will find this makes him a fine travelling companion and also, perhaps, a more effective judge of when science is superior than those who see all other beliefs as mere tradition, to be consigned to the dustbin of history.

great hunt

by Stephen Jay Gould

Max Wilkison

Isanna Rustin  
ng to roots

ARTS

Artistic affair with the silver screen

William Packer is intrigued by 'Spellbound' at the Hayward Gallery

It is always good to have one's worst expectations confounded. Reading the list of contributors to Spellbound - Art & Film, one might well have thought that here, yet again, was to be another Hayward Gallery farrago of trendy modernism to keep the letters columns full and the galleries empty until mid-summer. But in the event it turns out rather well.

The mise-en-scène helps, with its succession of discrete spaces. Black-out alternates with light, the moving image with the still, the physical and actual with the shadow. The good along with the bad, we can take it or leave it, and move on.

The reason for so tolerable a success is not hard to fathom, and might well be pondered by our more narrowly orthodox avant-garde. Here indeed we have artists addressing film, but where appropriate it is not with film as art but with film as film. Their work engages directly with the aesthetic of film and not with those of the plastic arts. The consequence is that the false or inappropriate aesthetic falls away, and with it all the attendant frustration and irritation with hocus claims and misplaced effort.

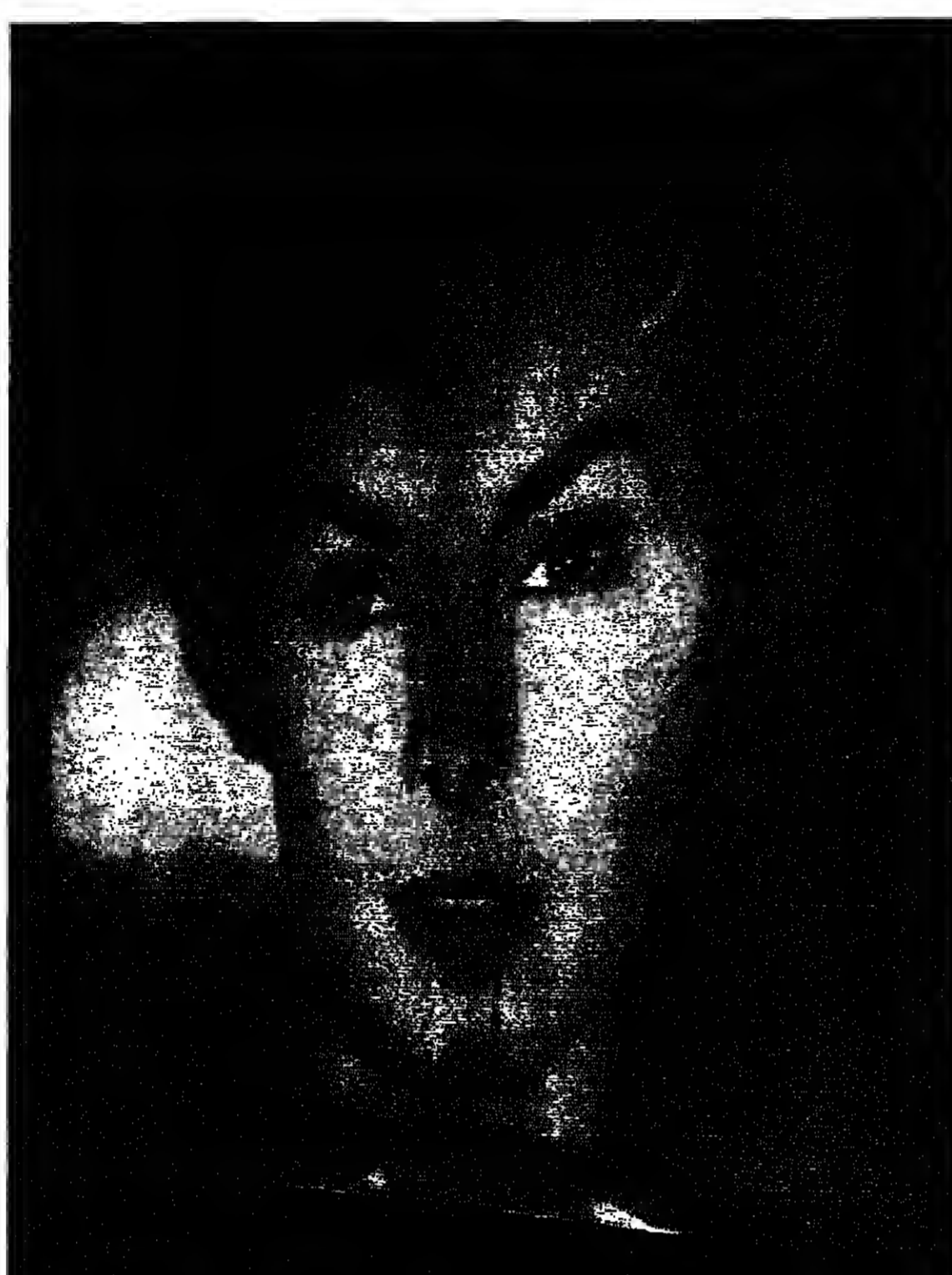
The point is made most effectively at the show's extremes, that is to say with painting and sculptural installation on the one hand, and with pure film on the other. Paul Rego, the sole painter included, is showing a group of large pastel drawings, the pigment almost as rich and thick as oil paint, which deal variously with her long-standing devotion to Walt Disney's Fantasia, Snow White and Pinocchio. These are powerful and remarkably well-sustained figure-compositions, their connection with the stimulus of film direct and obvious.

all its infinite capacity to fill the imagination with half-familiar, half-forgotten images. Again the connection, the reference, is clear enough.

At the other extreme is Damien Hirst, who has made a film, Hungry Around, a proper film with a script of sorts and a beginning, a middle and, I assume, an end. And again, being a proper film, albeit only 20 minutes long, it stands or falls as a film. Hirst has always had a gift for narrative, of a macabre, grand guignol sort, and for me the more successful of his works have always been the more truly theatrical, as opposed to merely shocking, in that they introduce an actual element of time - the butterflies living out their natural span; the rotting meat, the maggots, the flies and the fly-killer; the rats rustling in the cage as music and light rise and fall together. For him to move on now into film-direction seems natural, and this is a fair first effort.

In between we have the rest, good, bad and indifferent. Steve McQueen's portentous eight minutes' worth of heaving bosom, as white woman and black man drift silently towards each other along a wall, almost but not quite, would be even less compelling than it is were it not screened 20 feet high. On the other hand, the huge screen with which Douglas Gordon greets our entry, 24 Hour Psycho with Janet Leigh ticking exquisitely away in tantalising slow-motion, frame by frame, makes of the portentous a positive virtue, just as it celebrates a true masterpiece of cinema.

Peter Greenaway no doubt considers himself by now a masterpiece of cinema, and his huge self-celebratory installation, In the Dark, with its bullying and ear-splitting sound-track and its densely convoluted programme, is at once intensely irritating and off-putting, and rather intriguing, damn it. Real people, "A Cast of Actors", are sitting in a row of raised glass cabinets, and each day throughout the run of the show, that cast is to be changed - one day "a cast of actors with natural red hair", another "actors who have played a murderer", "actresses who have played Juliet", "a cast of typecast heavies", "actors dressed identically",



Janet Leigh in '24 Hour Psycho', Douglas Gordon's slow-motion tribute to a cinematic masterpiece

and so the long months wear on. Each day's newspapers are to be set out successively upon glass trestles. And up and down the room on long low tables are set out, one for each day, a set of props appropriate to a particular theme or circumstance in some un-named drama - the setting

becomes a ballroom, the room of a 1950s undergraduate, a casino. Do we take such stuff seriously? Of course. Then there are Ridley Scott's animation sequences and story-boards for Alien and Blade Runner, Boyd Webb's animated film of the secret life of an escaped popcorn, Fiona Ban-

ner's canvas covered entirely in her hand-written response to Apocalypse Now, and Terry Gilliam's wall of filing cabinets. Go and see for yourself. Spellbound - Art & Film: Hayward Gallery, South Bank Centre SE1, until May 6.

Rock rebels bite back

Robbie Williams was always the bad boy in Take That, albeit the type of cheekily charming bad boy that teenage girls fall for: but this week he paid a high price for his bad behaviour.

Williams, 23, who left Take That last summer, was due to appear in the High Court on Monday for the first day of his case against RCA, the boy band's record label. He was suing the company to try to sever a contract that compelled him to remain signed to the label as a solo artist.

The abandonment of his court case, complete with abject apologies to RCA and his agreement to pay the six-figure costs, conjured a clichéd image of a contrite rock rebel brought to heel by his record label.

But his story has become the exception rather than the rule. After years in which the record companies called the shots, the balance of power in the music industry is swinging in favour of artists. Aided and abetted by the army of entertainment lawyers that advise them, artists now not only extract better financial terms from record companies, but also set the creative agenda.

Back in the 1960s artists were routinely ripped off by their labels and bound by onerous contracts that forced them to churn out hit after hit. The Beatles received a royalty of one penny for every record sold under their first deal with EMI and The Kinks' first contract compelled them to crank out two albums, and at least four singles, each year.

The tide turned in 1967 when The Beatles renegotiated their contract, having sold 200m records and with Sgt. Pepper about to be released. EMI agreed to give them higher royalties and their own record label, Apple.

sister, Janet, whose lawyers auctioned her off last autumn culminating in a \$85m deal with Virgin, which agreed to give her a \$35m advance on signing and 24 per cent royalties.

The other component of a record contract is the level of creative freedom the artist is given, in terms of the output expected of them, and the degree of control they exert over the promotion of their work.

Megastars have virtually complete control in both areas. Warner has given Madonna her own label, Maverick. George Michael's agreement with Virgin and DreamWorks is so loose that he was allowed to refuse to give media interviews to promote his single, Jesus To A Child, even though it was his first commercial release in three years. "I like George and I respect him," says David Geffen, co-founder of DreamWorks. "If he's happier not giving interviews, that's fine with me."

Sometimes the level of freedom given to an artist backfires on them and their labels. Even the most sycophantic Sony executive must have realised that Michael Jackson's decision to pose as a Christ-like figure healing stricken children at last week's Brit awards was ill-advised in the

wake of the child sex abuse allegations made against him. But Sony failed to stop him. Jarvis Cocker, Pulp's lead singer, has since been praised by the press (and dubbed "sir Jarvis" by New Musical Express) for drunkenly clambering on stage in protest.

Similarly Warner must rue the day it signed a \$100m deal with the artist then called Prince, who changed his name to an unpronounceable symbol and recently threatened to deliver a huge quantity of recordings of dubious quality to the company claiming this will fulfil his contractual obligations.

New acts can now insist on a degree of autonomy which would have been unthinkable ten years ago. The multinationals that dominate the industry have launched small, independent-style labels for new acts. Blur records for Food, an EMI subsidiary, and the Bineetons for Superior Quality Recordings, part of PolyGram. Virgin is setting up a special new label for Placebo, a band it has just signed.

But as Robbie Williams discovered, record companies have rights too. Take That's deal enabled him to start legal proceedings against RCA and to threaten to block the release of the band's Greatest Hits album by refusing to approve the artwork, but he was still bound by the contract's terms.

It is now up to Williams to patch up his differences with RCA. The devotion of the teenage girls, who waited fruitlessly for his arrival at the High Court on Monday - one of whom had travelled all the way from Italy and even changed her name by deed poll to Williams - might then swing the balance of power back in his favour.

Alice Rawsthorn

Karajan's king-in-waiting quits

As his 'Figaro' is hailed in Zurich, Nikolaus Harnoncourt withdraws from Salzburg. Andrew Clark reports

The big talking point at the Salzburg festival last summer was Nikolaus Harnoncourt's conducting of Le nozze di Figaro - slow, perverse and full of pregnant pauses. The current talking point at the Zurich Opera House is Harnoncourt's fresh, coherent interpretation of the same work. But even that has been overshadowed by the news that he has withdrawn from the Figaro revival at Salzburg this summer, and is severing all links with the festival.

The announcement has hit the festival management like a bombshell. Harnoncourt was the lynchpin of Gérard Mortier's reforms, the musical symbol of the post-Karajan era. Whatever else went on at the festival, and however much one disputed Harnoncourt's judgment from one work to the next, he offered Salzburg a bedrock of integrity. His Missa Solemnis in 1992 and Beethoven symphony cycle in 1994 set new interpretative markers for the festival. Here was a man who could challenge the cosy certainties of Salzburg's past, and carve a fresh identity for the future.

No one gives up Salzburg lightly - at least of all the men long regarded as king-in-waiting. Harnoncourt, who is 66, underwent stomach surgery last autumn, and used the lay-off to exam-

ine his priorities. He decided that the festival did not match his artistic needs and interests. In his resignation letter, he referred to the lost ideals of "our Salzburg project", saying Mortier had been unable to create a coherent musical programme or clarify the role Harnoncourt should play in it. He said last summer's La traviata had "lashed the festival's production policy", and complained that the festival's three auditoria were "acoustically and ideologically" flawed.

Several other factors influenced his decision, notably the way some of his casting wishes were not fulfilled. Harnoncourt insists personal animosities played no part, and that his withdrawal is not a protest. He simply feels uncomfortable with the ethos of a festival where so many compromises are necessary. Unlike the conductors who have been engaged to replace him, Harnoncourt does not need Salzburg for his career. And Salzburg will be a lesser place without him.

A municipal theatre operates on a different premise to a festival - which explains why Harnoncourt is happy to work in Zurich. The Opera House has the ideal size and acoustic for the repertoire he likes to conduct. In his Austrian compatriot Alexander Pereira, he has a theatre manager who

gives him virtually carte blanche. And no one could mistake the clear line of development which Harnoncourt's work in Zurich has taken since the late 1970s. First came an internationally-acclaimed Monteverdi cycle, then Mozart. Zurich has also had the benefit of his thoughts on Fidelio and Freischütz, and next season he will

conduct Aida. Harnoncourt makes sure there is a reason for everything he does, and no one is left doubting it. Figaro, the start of a new Mozart cycle in Zurich, offers a fascinating counterpoint to all that went on in Salzburg last summer. Unlike the Chamber Orchestra of Europe, which played Mozart's score like a band of operatic virgins, the Zurich orchestra contributes to the seasoned character of the performance. Tempi are faster and the pauses less disruptive. It is a

quieter reading than the last Zurich production, and all the voices in the orchestra are made to tell. Illness seems to have mellowed Harnoncourt - and yet he still makes us listen to the music as if for the first time.

He has the benefit of a much more intelligent staging than in Salzburg. Jürgen Flimm, director of Hamburg's Thalia Theater and now a regular Harnoncourt collaborator, is interested less in social distinctions than in personal relationships. This Almaziva household is one where power is a form of intrigue, where "Vol che sapete" becomes a blatant song of seduction and "Dove sono" an expression of emotional isolation. The recitatives may be dull and the dance routines irritatingly contrived, but Flimm handles the comedy and erotic charge with a refinement rare among German producers.

Erich Wonder's decor captures a mood of fractured realism. Act 1 takes place in a disused ballroom, the huddled floor of which forces everyone to stumble among buckets, paint-pots and ladders. The Countess's marks bedstead, tucked into a corner of the stage, casts an unusually intimate perspective on Act 2 - after which Wonder's imagination gets the better of him. Act 3 is set amid the debris of a derelict patio - complete with mod-

ern deckchairs and umbrellas - and the finale is upstaged by a constantly unflinching backdrop of grubby Spanish landscapes. Florence von Gerkan's costumes follow the same path as Wonder's sets, in their attempt to capture the style of the period through a modern filter.

The youthful homogeneity of the cast makes this Figaro an unusually true-to-life theatre of emotions. Despite an occasional shortage of power, Rodney Gilroy's Count is a sympathetic portrait of a man manoeuvred from the start - not so much philandering tyrant as victim of wounded pride. Thanks to his aristocratic carriage and confident singing, this is one of Gilroy's most convincing roles. As Figaro and Susanna, Carlos Chausson and Isabel Rey give respectable performances, without developing distinctive personalities. Liliana Nichteau is the plump, pubescent Cherubino, Eva Mei an overparted Countess. Whatever its weaknesses, the Zurich Figaro keeps the audience guessing until the end - and leaves it plenty to ponder afterwards.

Further performances: March 8, 10, 17, 29 and 31. Nikolaus Harnoncourt conducts the Vienna Concentus Musicus at London's Barbican Centre on Monday.

There have been worse plays than The Ends of the Earth, the new play by David Laan that has just joined National Theatre repertory. There must have been. But that is not how I feel, only minutes after escaping its premiere. Just now, it has effaced my memory of every other terrible play I have ever saw.

On wet Monday mornings in Hell they punish those who in their lifetimes disliked Top Gun or Annie Get Your Gun by making them watch The Ends of the Earth a second time. I am overreacting, of course. Still, I suspect that, even when I have regained rational thought, I will still find The Ends of the Earth to have been irritating and dull, silly and grandiose, old-fashioned and obscure.

The plot. Daniel Croft, a geologist, is having a nervous breakdown. A married man with a baby daughter who is dangerously ill back in England, Daniel is an obsessive masturbator and cigarette-smoker. He and his wife Cathy are - match - "somewhere in the Balkans". Every other min-

utes in the opening scene they are beside themselves with happiness - whenever they forget their daughter or each other, that is. But then a mysterious Balkan offers to take Daniel up into the mountains to give up smoking. Daniel does so.

In Act Two, back in England, Daniel is a confirmed non-smoker, and apparently also a reformed ex-masturbator too. He is obsessed with the idea of sin (= smoking, = masturbation) but also by the idea that he himself may be God, and that he can do anything. He returns to the Balkans, and gets stuck in a war zone. Will he take up smoking again? Unless he will - get this - his captor, Pintilie, threatens to strip another captive and shoot him. The captive turns out to be Takkie, who stripped, grips

his penis defiantly. Under such pressure, Daniel consents to smoke again. Pintilie shoots Takkie anyway.

But Daniel finds that his daughter has died. He is convinced that she died because he took up smoking again. No, Cathy informs him, she died several days earlier. Daniel is now so nuts that he cannot leave the Balkans. In the final scene he is back with the old man (et al), who confuses him by telling him that a slice of cake "is all created being".

The End of the Earth is, in part, about a Romantic dichotomy between civilised British society and the beautiful, but perilous wildness of the Balkans. But this theme, like everything else, is expressed with unutterable banality. Batty though Daniel is, Laan's play is more so. Andrei Serban's direction keeps things busy but baffling. Pathetically stuck in the role of Daniel and Cathy are poor Michael Sheen and Samantha Bond, fine actors who deserve rescuing from this quagmire.

National Theatre, SE1.

Advertisement for The Tenors at Wembley Stadium. Text includes: 'THE TENORS', 'LIVE IN LONDON', 'WEMBLEY STADIUM', and ticket information.

Advertisement for Royal Festival Hall. Text includes: 'Royal Festival Hall', 'Royal Festival Hall 1996', and a list of musical performances.

the art of the key

Music as the end of thought

ARTS

Records/David Murray

# The art of touching the keyboard

There is a whole repertoire of music which sounds wonderful on the piano, without amounting to much in any other respect; but there are fewer and fewer pianists who can do justice to it - who know how to draw from the piano those shaggy resonances, those shameless thrills that justify virtuosos' trivium.

There are even Liszt "specialists" these days who concern themselves with his dark, scrawny later works, but cannot make a Hungarian Rhapsody snap and crackle. Many modern pianists think the range of pure piano-stuff that Bolet and Cherkassky used to embrace is unworthy of their attention; their touch suffers by that neglect more than they realise. For it is not a matter of mere speed and power, which can be practised up; it is much more a business of delicate balances, of exact appreciation of the different registers of the instrument, of the precise placing of sounds. Some of Bolet's most brilliant encores were pieces that would not tax a ninth-grade student.

Still, piano addicts are not quite bereft, as a few recent CDs by younger-generation pianists demonstrate. Marc-André Hamelin, who has already recorded extraordinary performances of Alkan's fearsome *Concerto for solo piano* and his *Grande Sonate*, has added a pendant in the form of the two earlier, less strenuous *Concerti da Camera* (Hyperion CDA66717, with Martyn Brabbin and the BBC Scottish Symphony), just as immaculately played.

On the same disc are two works by the forgotten pianist-composer Henselt, who was born a year after Alkan and likewise died the year after him. His *F minor concerto*, like his "Variations de concert" on a Meyerbeer air, reveals spectacularly in what the instrument can do, as does Hamelin. Do not expect any musical revelations (you can guess in advance how almost every tune and every harmonic sequence will proceed); but the pianism is joyous.

The young Swedish pianist Love Derwinger shows astonishing maturity and clean command in a much later Romantic concerto, Max Reger's very

grand one (op. 114, also in *F minor* on BIS-CD-711, with the *Solo in nites S&H*). Though its specific proportions, and even the characters of its three movements, plainly echo Brahms's *D minor concerto*, Reger's relentless chromaticism might seem clogged and indigestible. With Derwinger's ringing assurance and noble incisiveness, however, and with Leif Segerstam's judicious conducting of the Norrköping Symphony, it compels respect.

Lane is among the few British pianists who cultivate the old-fashioned virtuoso territory. There are many delights to be had from his Hyperion recording (CDA66785) of fantastical Johann Strauss transcriptions, by Schulz-Evler (his notorious "Arabesques" on the Blue Danube waltz), by Friedman, Tausig and Rosenthal - and the master of them all, Leopold Godowsky, whose *Fledermaus* fantasy often contrives to run two or three famous tunes in improbable tandem, whilst mad figuration proliferates all over the keyboard.

Just occasionally, Lane betrays the sheer effort required, and the fact that he is not Viennese (rhetorical delays on upbeats are unidiomatic, and sound ponderous); but he has the authentic *ping* and pounce, and sparkles to perfection in the treble.

The once popular music of the Cuban Ernesto Lecuona (1896-1963) is re-emerging on BIS discs, in the neatly idiomatic hands of Thomas Tirino. No really sensational virtuosity is demanded, but anything less than full-hearted commitment would sound like slumping. On Vol. 1 (BIS-CD-754), Tirino plays the *Rapsodia Negra* with orchestra, all the *Musica Española* (including the evergreen *Malagueña*) and much else besides with complete, unabashed conviction. Uncomplicated pleasures, but genuine.

Something much more genteelly refined, and a century older, comes on an American import ("Arabesque 26666"). Sarah Rothenberg performs - nay, re-creates - *Das Jahr, "The Year"*, a musical calendar by Mendelssohn's beloved sister Fanny. She composed it

after returning from a long Italian visit with her husband, the painter Wilhelm Hensel. It is much less quaint, much broader, stronger and truly imaginative than anyone might have guessed before Miss Rothenberg addressed herself to it with such fine, urgent sympathy. As Fanny was a respectable wife, the family discouraged her from pursuing a composer's career; the loss is ours.

*The Art of Touching the Keyboard* is a title borrowed from Couperin ("L'Art de toucher le clavecin") by Judith Weir, for a delectable, characteristically fresh and pawky little sonata for William Howard. It is collected with several other short Weir ensemble pieces on Collins 14633, most of them involving a piano or two, usually with the splendid Susan Tomes at it. They make a winning introduction to Weir's gentle, original art; and more particularly, to the playful delight she takes in exploring the airy possibilities of piano-sonata. Not many composers do that now, and hardly any has a lively, open ear like hers.

# Men adrift in a sea of oestrogens

Television/Christopher Dunkley

How typical of the people in television. Having ridden the feminist bandwagon for years, decades even, they feel a twinge of guilt about having overstated the case and so, all of a sudden, they start making programmes about men.

But whose attitudes do these programmes convey? Of course, the feminists'. You can scarcely switch on television at present without finding a programme with a masculine word in the title: *A Man's World*, *Assault On The Male*, *A Bad Time To Be A Man*, *The Male Survival Guide* and so on. And what is the BBC's umbrella title for its season? *The Trouble With Men*. Imagine a season called *The Trouble With Women*: they would all be hauled in front of tribunals.

The whole thing got off to a confused and confusing start with *Why Men Die Younger* on BBC2 last Sunday. In an attempt to prove that what really counts is nurture, not nature, this showed an experiment in which the same baby was dressed in boys' clothes and then girls' clothes and presented to two different women.

Sure enough the women treated the child differently. But all that proves is that different women behave differently. Male logic would suggest having one mother and two babies, one a boy and the other a girl, then you would see whether there was a significant change in nurture.

The same programme told us that during the World Cup final between Italy and Brazil the testosterone level of the Brazilian fans rose whereas that of the Italian fans fell, and yet it was the Italians who rioted afterwards, suggesting that low testosterone levels can mean violence.

Perhaps this survey was carried out by the same people who proved that grasshoppers hear with their legs: they brought down a book with an almighty bang behind the grasshoppers and all of them jumped, yet stayed quite still through an equally loud noise once their legs had been cut off. The soccer survey failed to point out that the Brazilians won the match and the Italians lost. It also failed to say whether the investigators were men or women.

There seem to be questionable assertions everywhere. In *A Man's World* which begins on BBC2 on Wednesday evening we are shown a classroom in the early part of the 20th century and the voice of God on the soundtrack states "Rote learning and rigid discipline

squashed any imagination or individuality". Really? In Winston Churchill for instance? He was subjected to plenty of both. And Dennis Potter - no imagination? It is, of course, much more tempting but also more questionable to say "A man's sense of himself comes through work", as Tony Parsons does in his television essay "Equal But Different" in *Without Walls* on Channel 4 on Tuesday. Then to say "Some men's sense of themselves comes through work amongst other things".

Poor Parsons, listening to him you realise what has happened to the generation of men who scarcely knew the pre-feminist world. Though he wants to sound like the real thing, much of what emerges from his mouth is the product of feminism. The assertion "Men had job satisfaction" is straight out of the feminist credo, a claim made repeatedly by middle-class female graduates whose agitation over equality in the workplace had

nothing to do with wanting to see their sisters, let alone themselves, down the mines and the sewers, and everything to do with wanting the salaries of barristers and brain surgeons. Can Parsons really believe you get job satisfaction from hosing pigs will out of dustbins, or working on the Ford production line, just because you are a man? Enforced camaraderie, perhaps, but hardly job satisfaction.

Amid this sudden upthrust of male interest there are programmes worth watching. Despite the patently insipid tone of the commentary BBC's *Male Survival Guide* on testicular cancer, prostate problems and so on, is probably very valuable to many men who never discuss such matters. Television can be a remarkably intimate and comforting medium, bringing enlightenment and relief where entire families and groups of friends do not - always assuming you can hear to watch, of course.

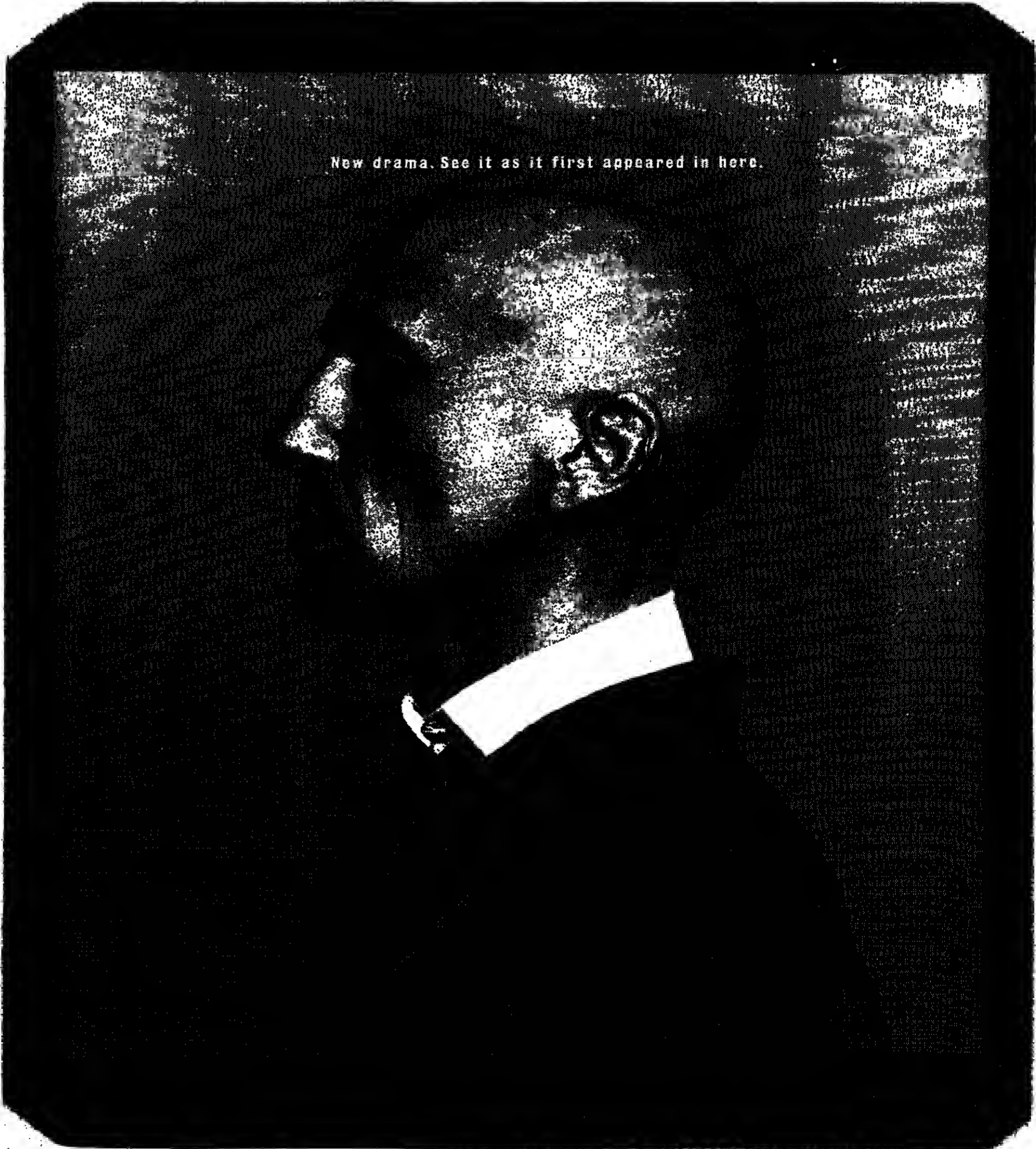
And *A Man's World* with its archive films and photographs,

and its interviews with men who grew up in the early years of the 20th century, looks like being as engrossing as the previous series in this style (*A Secret World Of Sex, Forbidden Britain* and so on) made by Steve Humphries. The accompanying book is fascinating (*A Man's World* by Steve Humphries and Pamela Gordon; BBC Publications, £12.99). The contrast between the outspokenness of many of the programmes in this sudden surge and the dreadful furtiveness regarding anything emotional or sexual so vividly described in *A Man's World* is startling.

Of course the question arises whether, within a generation or so, there will be many men around to worry about these matters. According to an exceptionally ominous edition of *Horizon* last week, sperm counts are falling even faster than the rates of testicular cancer and undescended testes are rising.

The reason, according to this programme, is almost certainly that we now live in a virtual sea of oestrogens. They exist in plastics, detergents, and crop sprays. To alter this you would have to alter the whole modern world. We may already have accepted a Faustian bargain: fast cars and plastics at a cost of plummeting sperm counts. It makes a change from all those scare programmes about the population explosion.

Creative thought deserves powerful communication. Right now, AT&T is working with three of London's leading theatre companies to bring plays to the stage that are every bit as fresh, innovative and challenging as their creators intended them to be. They are: Naomi Wallace's 'Slaughter City' by the Royal Shakespeare Company in the Pit, '1953' by Craig Raine at the Almeida Theatre and 'The Ends of the Earth' by David Lae at the Royal National Theatre in the Cottesloe. We're proud to be involved and we wish them every success.



New drama. See it as it first appeared in here.

Radio/Martin Hoyle

# Music as the food of thought

According to Radio 4's *Science Now* there is a theory drifting around that students who listen to classical music are brighter than those who listen to pop, noticeable in the short, indeed immediate, term. Accordingly, experiments are to be carried out with schoolchildren, setting them some academic task after exposing half to ten minutes of Radio 1 and half to the same dose of Radio 3. This presupposes that their investigators will be able to tell the difference.

Perhaps those with - for want of a better phrase - cultured backgrounds might be brighter (more articulate or with a wider range of reference or whatever) than the others. The danger of isolating cerebral function from a social context was illustrated this week by Jean Aitchison, this year's Leith lecturer. *A Web of Words* skims the surface of other disciplines without really giving any their due. Thus, a characteristic Freudian slip was dismissed as "fanciful", though shallower slips are allowed; and it seemed not to occur to her that the reasons we chase a football but pursue a target might be because metaphor, and the presumably thinking class that coins it, often demands a more formal turn of phrase.

Sporadically interesting, strenuously self-ingratiating, with snatches of *Blackadder* and Tom Lehrer, but the speaker is not above setting up false idols the more easily to knock them down. She failed to reveal that the distinguished Victorian intellectual she whimsically quoted at the beginning of this week's lecture is best remembered as the author of *Eric, or Little by Little*. A sitting, unpursued, target.

The differences between the radio channels came to mind last weekend with a 90-minute play about pop-singer Sam Cooke ("Wonderful World", "Rockin' the Night Away") on Saturday and, on Sunday, the

two-hour *Song of Dorset*, an evocation of Thomas Hardy's literary landscape and a glance at the present Dorset cultural scene. Hardy was on Radio 2, Sam Cooke on 4. *A City Called Glory* was monotonous in sound and mood, a fatal flaw when leading up to midnight and listeners' heads are nodding and portentous in content. The Dorset visit completed by Christopher Cook was slightly slippy in presentation but would not have been out of place on Radio 4.

Since the BBC went to the trouble of drawing rigid demarcation lines between the imagined audiences to its channels, can it now be yearning for the old mixtures, the Home Service with midday fare that included Haydn symphonies and Max Wall in *Workers' Playtime*? Or the Light Programme where *The Billy Cotton Band Show* rubbed shoulders with *Hedda Gabler* and *Pagliacci*? If so they should concentrate on liberalising other channels than Radio 3, set up as a safe haven for eggheads who do better in exams after ten minutes of Mozart than Sam Cooke.

Where to consign the music quiz, *Counterpoint*? Last week its bright contestants were patently happier with classical questions than the middle-of-the-road trivia too often thrown in. Here they differ from the question-master, Ned Sherrin, whose recent reference to Verdi's *Ballo in Maschera* may be conceded as a Freudian slip even by the Reith lecturer. Sherrin seemed out of sorts, sneering at questions for dealing with composers' lives rather than their music - a bit rich coming from the master of the extra-artistic anecdote. Perhaps the fact that there was no question on Stephen Sondheim in the show rather than him, Sondheim is Sherrin's obsession and has a higher total of regular mentions in this music quiz than Mozart or Beethoven. There is a place for Ned Sherrin. It is called Radio 3.

COLLECTING

# Maastricht's transformation

Susan Moore looks at the way Europe's pre-eminent fine art fair has developed

Gambler's dream of devising an infallible system. If there is such a thing as a winning formula for a fine art and antiques fair, the European Fine Art Foundation could be forgiven for believing it has found it. Its flagship event, the European Fine Art Fair at Maastricht in the Netherlands, March 9-17 this year, has been transformed during the last eight years into the pre-eminent European fair, and arguably the one truly international art and antiques extravaganza.

Last year, almost three-quarters of the exhibitors were non-Dutch - this year the percentage is slightly higher, with 160 participants representing a dozen countries. Moreover, 35 per cent of visitors to the 1995 private view came from abroad.

Such is the foundation's confidence in its formula that last year it launched a second fair, in Basle, aimed at a central and southern European audience. In spite of modest attendance figures - 12,500 (Maastricht last year attracted 52,000) - the Tefaf board is exploring the possibilities of an American edition.

Fairs are an expensive and risky way for dealers to do business but,

as Ben Janssens of The Oriental Art Gallery put it: "We feel there are not enough people coming to the shop. Exhibiting at fairs is the only way of renewing our client-base."

Maastricht's success is due in large part to the tireless efforts of its board of exhibiting dealers to improve and refine. Without doubt, the fair is more diverse and more international than it was a decade ago, and standards have been raised across the board.

The Maastricht of the 1980s was confined to three sections: paintings, works of art and textiles. Now it embraces drawings and prints, antiquities, books, manuscripts, maps and "la haute joaillerie du monde". This year fine wines have been introduced. But these attempts to be all things to all men have their drawbacks. Maastricht is a less familiar, coherent and cosy fair.

It is even a shadow of its former self, in one respect. A decade ago one was guaranteed an impressive selection of the finest carpets, tapestries and other textiles available. This year there is no John Eskensz of Milan and London, and no Textile Gallery of London - both choosing to show at the new International Asian Art Fair in New York later in the month. Of the leading founder members

of "Textura" only Bernard Blondeel remains, offering among other things a typically spectacular suite of four Flemish "pergola" tapestries of around 1600. Woven with pots and swags of flowers within arcades or pergolas, and with landscape vistas beyond, such sets of tapestries were conceived for indoor winter gardens. Price tag, £1m.

Maastricht would do well to continue to broaden and improve its core sections rather than keep tentatively branching out. To this end, it is good to see the French furniture dealers back in force, and the London furniture dealers Mallett and the Pelham Gallery. The new blood offers a welcome antidote to ponderously gloomy Dutch, Flemish and German furniture.

The works of art section is also enhanced by the arrival of Blumka and Trinity Fine Art, and dealers of the calibre of Gisèle Croes returning with such rarities as a set of eight Tang dynasty mural paintings of court ladies.

The range of the picture section, the backbone of the fair and its biggest international crowd-puller, has similarly broadened, with dealers such as Huguette Beres showing French 19th century works rather than the ubiquitous Dutch Roman-

This year's signing up of French & Co, one of the largest and certainly most expensive of the New York Old Master dealers - Manhattan's answer to Richard Green - is considered a real coup, not least because the gallery has never shown at a fair before. Newcomers also include Silvano Lodi of Milan and Clowis Whitfield of London, best known for Italian Old Masters. Whitfield is exhibiting at Maastricht simply because it is "the best fine art fair around".

Taking a bow is Otto Naumann of New York, whose inaugural show promises to be a real coup de théâtre. Naumann is giving Maastricht its first Rembrandt oil, a rarely seen oval portrait of a young man which can be bought for \$4.8m. He is also exhibiting a number of surprises that "absolutely none of my colleagues have seen". American exhibitors - and their clients - are needed by Maastricht. What most concerns the Maastricht board, Knight says, is how to encourage "a new, more enthusiastic and wealthier audience through its doors... And the most excited audience these days comes from the US." Today, when there is a dearth of high quality works of art on the

market, unfamiliar stock and fresh pairs of eyes are needed.

To suggest something of the range of objects and jewels to tempt them, Jan Dirven of Antwerp, for instance, offers a chased and enamelled copper-gilt Virgin in Majesty of around 1575, with the apostles Peter and Paul depicted on the reverse. Rather late for Limoges perhaps, but a great market rarity. Those with a taste for Frans Hals might visit the Habolit stand to see the portrait of the clergyman, poet and historian Samuel Ampzing.

Newhouse has an Arcadian wooded river landscape with ruins by Gaspard Dughet and Prinz & Müller a giltwood armchair after a design by Schinkel inspired by Pompeian furniture.

More conspicuous consumers might be dazzled by the pair of late 19th century silver-plated chandeliers with their original gilded glass shades believed to have belonged to the Nizam of Hyderabad, reputedly the richest man in the world (Mallett). Cartier presents a 1930s platinum, ruby and diamond necklace that belonged to Lady Grenard, née Ogden Mills, an American grande dame rarely seen without tiara. Said Chips Channon: "Lady Grenard could scarcely walk for jewels."



Frans Hals's portrait of the clergyman, poet and historian Samuel Ampzing

## Showing now: Innocent X

Even viewed through a sequence of doorways from the top of the National Gallery's main stairs, Velásquez's portrait of Pope Innocent X compels your gaze. Once drawn into the Mond Room and confronting one of the most celebrated portraits in the history of western art, and an image made even more famous this century by Francis Bacon's diabolical transmutations, you face, simply, the most spectacular gallery wall in London.

Until May 19, the gallery hosts a dozen or so masterpieces from the Doria Pamphili Gallery in Rome, one of the world's finest private art collections and one of the city's most under-visited museums. In the days when the loans of great pictures are secured only after months or years of diplomacy, the National Gallery found itself not only being offered works from the Rome gallery while it was closed for rewiring but instructed to take the pick of its best.

Only a handful of the Pamphili treasures have been lent from the collection founded in 1650 by the Pamphili pope, Innocent X. In his palazzo, Velásquez's portrait has a room to itself. Here, it is flanked by two other likenesses, a marble bust by Bernini and another Baroque *tour de force*, in bronze and porphyry, by Alessandro Algardi. Velásquez's image is the most unflinching yet even it hardly does justice to the pope's reputation as the ugliest man in Rome. But we do find harshness in an expression likened to "that of a cunning lawyer", and an implicit menace heightened by the artist's masterly orchestration of hot crimson tints. Pigment and canvas are here made flesh and blood.

Holding their own either side of this powerful papal triumvirate are superb early works by Guercino and Caravaggio. Guercino's monumental tenebrous canvas, illustrating a passage of Tasso, has Erminia rushing to the battlefield to tend the wounds of her beloved Tancred. It is a work of passion and drama, of the days when - in Guercino's own words - the paint bubbled in the pots. Luminous velvet-soft ivories and ochres off-set oily greys and petrol blue. Caravaggio's poetical, idio-

syncratic "Rest on the Flight into Egypt", in contrast, has not a whiff of *chiaroscuro*, but glowing Venetian colour combined with earthy characterisation. What else is here to beguile us? Titian's glorious Judith - some say Salome - perhaps with the artist's own likeness serving for the severed head on the platter. Raphael is represented by an intense double portrait of his friends Navagero and Beaziano, humanist and diplomat. The pair of lyrical Claudes confirm him as a

sublime landscape painter and execrable painter of figures. It is an odd irony that the pictures can be seen better in the National Gallery than hung high on their own far grander walls, and a compliment to the London gallery that they are here (a circumstance perhaps partly explained by the Princess Doria Pamphili having married an Englishman and educated their son there). But the vitality and patina of her family pictures also serve as a reproach. Cleaning paintings is not inevitably for the better. S.M.

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James Morgan

# The followers of Crackpot Marketing

Those who sell weapons provide goodies for gangsters and lose stupendous sums in the process

The eternal British preoccupation with the flood of domestic sensation tests the patience of outsiders. For them the Scott report, "arms-for-Iraq", etc resemble that other great British institution, the drawn game.

In cricket, a test match between say England and Australia, may last five days and end without a result even though one side enjoys an overwhelming advantage. The interest is in the team that has saved itself from humiliation. Salvation can come in the form of a gallant performance by a single participant, or by the rain which

brings it all to an early end. The Scott debate shares many elements with the national summer game. A government saved by a single vote; the ambiguity of Scott's conclusion; the subtleties of the double negative which deceive the eye; the judges' controversial decisions and a near-obsessive concentration on detail which keeps commentators and spectators amused even when nothing is happening. It is all too much, and so it slipped quickly from foreign news pages around the world.

In this excitement one loses sight of the main point. And the main point of the Scott report remains

the arms trade. The British government prided itself on not having behaved like the unscrupulous French. It had not sold to Saddam Hussein every lethal instrument in its armoury. Some may say that honest Gallic unscrupulousness is preferable to perfidious Anglo-Saxon distinctions between equipment and weaponry. But again this is not the point. The point is that there was a fear that Britain could "lose market share". Iraq had to be allowed to buy something to avoid such a catastrophe. But, as we now know, Saddam Hussein got his goods for next to nothing. The British lost

£850m in unpaid export credits. The more goods sold, the more jobs "saved", the greater the market share, the greater the final losses. The unscrupulous French had, by 1989, when the last "rescheduling" had taken place, lost three times as much as the sensitive British on arms alone.

Only in this trade do socialist economics live on. Only here is it believed that there are huge national benefits to be derived from the subsidised mass production of goods on a scale that runs far beyond natural demand.

The theory in most countries is dominated by the views of the former

trade minister (and diarist and ladies' man) Alan Clark. A friend of his put it this way in *The Spectator* last week: as minister he wanted to sell weapons to the "towelheads", otherwise they would "only buy from the Frogs and Krauts".

It is 40 years since the American sociologist C. Wright Mills coined the term Crackpot Realists. They were the defence planners of his day who later created the Vietnam war out of nothing. Today they are to be found among politicians and journalists who curl their lips at those who wonder if one should really be selling weapons which, if used, will inevitably defend govern-

ments from their own people rather than foreign invasion, and will ensure the deaths of nine civilians for every soldier. Those who despise such sentimentality provide goodies for gangsters and lose stupendous sums in the process.

The Crackpot College of Marketing is founded on the belief that the world's worst customers provide the best foundation for long-term business. It regularly organises huge celebrations when someone has been successfully bribed into acquiring goods for which he has no intention of paying.

It is an interesting thought that the losses that arose from sales of

weapons to Iraq or Argentine generals could have been avoided by giving every worker in the relevant industries £5,000 and 10 weeks' extra holiday.

Thanks to the realists, armaments remain the one item of international trade in which no normal commercial rules apply. Thanks to them, even the most basic analysis of cost and benefit is ignored. Thanks to them the world still subsidises guns while creating rules against subsidising butter.

James Morgan is economics correspondent of the BBC World Service.

Private View

## Bloodhound in pursuit of the dogs of war

Christian Tyler meets Richard Goldstone, chief prosecutor of the UN war crimes tribunal

A permanent peace between Serbs, Croats and Muslims in former Yugoslavia may depend less on the 60,000 Nato troops stationed there than on the success of a cool and tenacious South African judge, Richard Goldstone.

Veteran investigator of violence under apartheid, he was chosen by the United Nations to bring to justice the torturers, rapists, mass murderers and other war criminals in the Balkans whose acts will otherwise certainly rekindle the embers of revenge.

"I don't think you can have peace without justice," Goldstone said, speaking in his high-security fastness on the edge of The Hague, near the specially adapted jail at Scheveningen. "At least, not a peace that's going to be enduring."

The chief prosecutor of the war crimes tribunal understands the importance of history in civil war. Every one of his meetings in former Yugoslavia, he said, begins with a history lesson. "If you're lucky it begins with world war two. More frequently it begins with the 14th century. That's because there's never been any accounting."

Could the tribunal really be a substitute for personal revenge?

"That's the whole point. I believe that very strongly."

Even though the scores would be settled far away, and by a long, cumbersome process? "It's not a cure-all," Goldstone admitted. "It's not going to remove all cries for revenge. No system of justice can ever be so perfect as to do that."

"But fundamental to all forms of justice is official acknowledgement of what happened, whether by criminal process or truth commission. These are very important functions which assist people to begin their healing process."

The tribunal, whose remit also covers the genocide in Rwanda, is the first to be set up since the Nuremberg and Tokyo trials after the second world war. This time, however, the maximum sentence will be life imprisonment, not death.

That the tribunal exists at all is due not merely to public outrage at the savagery of

so-called "ethnic cleansing", it has been made politically possible because only since the end of the Cold War has the necessary unanimity of the UN Security Council been achievable.

This week the judges held a public hearing of the case against Milan Martić, former leader of the Croatian Serbs at Knin who is accused of contravening the laws of war by ordering a cluster-bomb attack on Zagreb. He has not yet been arrested, and cannot be tried *in absentia*.

The first man to appear in the dock will be Dusko Tadić, a Serb arrested in Germany and extradited from there. He is accused of torturing and murdering prisoners at the Omar-

named within weeks. Among those indicted so far, the most wanted must be the Bosnian Serb leader Radovan Karadzic and his military commander General Ratko Mladic. They are accused of complicity in genocidal murder of up to 8,000 men after the capture of Srebrenica, for a sniping campaign which killed thousands more civilians in Sarajevo, and for atrocities committed throughout Bosnia.

Both men are still at large, and apparently still in power despite the Dayton peace accord. For in this conflict, there have been no clear winners and losers to make the capture and interrogation of war criminals simple.

Some say Judge Goldstone has an impossible task. He does not agree. "This is an incremental process, and I'm a patient person," he said. "It's a question of the international community being prepared to impose its will on governments that don't co-operate."

"But to leave war criminals in place... if that isn't calculated to prolonging war, then I don't know what is."

If the tribunal is beginning to show its teeth, that is largely due to Richard Goldstone. For instance, he has personally lobbied to secure greater co-operation from Nato commanders who were reluctant to jeopardise the fragile truce by hunting down suspected war criminals.

Goldstone's tribunal is targeting the higher-ups in the conflict - the men who gave the orders - in the interest of justice and not only because of a lack of court and prison space at The Hague. Junior defendants will leave to be dealt with by national courts.

The prosecutor refused to say whether any of the presidents of the three warring republics, now co-signatories of the Dayton peace accord, were themselves under investigation.

I asked: Are you afraid that some of those regarded most responsible will escape because it will be politically convenient?

"Not if we do our job properly."

You need the help of others to do it properly.

For Rwanda the tribunal's procedures are the same, and the five appeal judges are shared. Ten men - two of them now in jail in Zambia - have been indicted so far for their part in the massacres of mostly Tutsi people in 1994, when an estimated half million died.

Of the 52 people indicted in the Balkans, 45 are Serbs and seven Croats; and although the tribunal stresses it is not concerned with the race or nationality of suspects, the disparity is plain. Goldstone said a number of Moslems would be

It's not going to remove all cries for revenge. No system of justice can ever be so perfect



Richard Goldstone: 'Fundamental to all forms of justice is official acknowledgement of what happened'

Peter Aspden

## Sense and sensibilities at the skip

Healthy box office receipts at the cinema, widespread critical acclaim and saturation press coverage suggest that a lot of people who, frankly, would not know their sense from their sensibility, would quite fancy living in Jane Austen's time.

It has an appealing simplicity, I suppose. The frocks and hairstyles may have left something to be desired, but how nice it must have been to have flitted around this world of *icy bon mots* and wholesome architecture.

And how silly they all were. If you were a man, you could cause a scandal by calling unannounced on a lady; if you were that lady, you could cause one of your own by deciding to go to the opera unaccompanied. What clean, under-stated fun!

And take Sunday mornings. A simple affair indeed. There was only one thing to do: go to church. Once there, you could address the subtleties of choosing your companions, composing

a resonant one-liner with which to dismiss the sermon, and having a good old gossip about those frocks and hairstyles that were just that little bit more monstrous than your own.

All these pastoral images flashed in my mind as I discovered a new Sunday morning ritual of my own last week. It was dirty, laborious, quintessentially urban, mildly decadent, and the very antithesis of JA's universe: getting to the skip on time.

Skids, for the benefit of those readers who don't know, are ugly, inverted pyramid structures designed to collect the flotsam of contemporary life and cart it away to who knows where. You are never far away from a skip in central London. They are provided by local authorities anxious to keep the streets clean and keen to show off their minimal organisational skills. I even received a timetable to tell me when my next empty skip was due. Sunday morning, 9.15, it said. So there I was.

What did I expect? Just a moment or two of quiet solitude with my broken chair, which has supported me through several years beyond its intended life

cycle; a chance to hone my hurling-the-chair routine, due to become an Olympic demonstration sport in 2004; a symbolic purging of the past, an exuberant display of disregard for material objects. It was to be a special moment.

What I found was an entire crowd of fellow residents - at 9.15 on a Sunday morning, remember - with similar intentions, though perhaps a shade less pretentious. They were in no mood for sentimental reflection: "Trash!" went a sob. "Bodging" responded an arm chair. I hastily joined the party, a feeble "Cuhank".

We all smiled at each other. We were shedding our inhibitions along with our personal histories. Before 9.30, there was enough for a sitting room in our skip, a cubist three-piece suite, inside-out and back-to-front. Some churlish latecomers contributed with some meaningless planks of wood and piping. Cubism turned into abstract expressionism. By 9.45, our skip was full and blooming with rubbish.

More skip-loaders arrived. Lacking the hurling skills to add to the pile, they left votive offerings all around, in the gutter, clattering the footpaths. But the skip-loaders were soon followed by the skip-sevengers. They took away from the skip. They needed things. They, too, had studied the timetable. One did not have to be a liberal softie to find the scene poignant; although one could just as well have admired this unusually robust example of demand and supply staring each other in the face.

On my way back home I passed through a small park, built in the 19th century by a local landowner to honour his family. It was full of drunks. Friendly drunks, but not the kind of people with whom you would happily swap ironic observations. What, I wondered, would the landowner have thought of his family's honour?

As Sunday morning rituals go, this all proved more bracing than many a sermon I have listened to. One does not have to step far outside one's front door for similar examples. Which, no doubt, is why we all want to be Jane Austen characters, tellingly raising our eyebrows and apraining our delicate ankles in a far, far gentler world.

"But we're getting it - more and more."

He claimed that "no decent government" would press for waivers and added: "I can assure you if any government brought political pressure on this office, I would make that public." Would you quit?

"I never believe in making those sorts of threat. It's really hypothetical and very improbable."

As it happens, Judge Goldstone is due to return to South Africa no later than August 15, two years since his appointment to The Hague, to resume his place on the country's new constitutional court.

Some commentators have called this a blow to the credibility of the war crimes tribunal. Goldstone denies it, saying there will be a smooth transition and no loss of momentum when his successor is chosen. Pressed, he admitted he would stay if the UN asked him and the South Africans released him.

Goldstone first became a public figure in his own country. Following a series of outrageous legal judgments under apartheid, he was appointed by the then white government to head three inquiries into violence.

In 1990 he investigated the police shooting of 15 people and the wounding of 381 in an anti-apartheid march in Sebokeng, Transvaal. Then he was asked to report on the death in custody of a boyfriend of the Mandela's daughter - it proved to be a case of suicide.

Most famously, he chaired the commission of inquiry into allegations that a "third force" inside the South African security apparatus was smuggling weapons to Inkatha for use against the African National Congress.

Goldstone's interest in human rights goes back to his student days when he began to meet people who had suffered racial discrimination. Were you on the left?

"Certainly by South African standards," he replied with a laugh. "I suppose by international standards I was pretty much in the centre. I had strong feelings about the evils

of racial and gender discrimination - any form of irrational discrimination."

I asked him if his Jewish background was relevant.

"I'm often asked that. And I

really don't know, because I've never experienced anti-Semitism myself. My family wasn't involved in Europe in the second world war. I'm third and half generations South African.

"But I must say I find it difficult to understand how any Jewish person can not find discrimination of this kind abhorrent. I know a fair amount about Jewish history, and I suppose, yes, it may well have had an influence."

"Why I say I'm doubtful is that I don't have feelings that any other decent human being shouldn't also feel."

Do you think your job here will raise the world's consciousness of human rights?

"I've got no doubt. It's already had that effect. This tribunal has brought about a revolution already. Even if we were to go out of business today we would have had the signal achievement of putting international humanitarian law and human rights on many agendas."

"It's being taught and debated at universities. There are articles in learned magazines about a subject that has been absolutely neglected. And the media. How frequently did one read about it? Now there's hardly a newspaper in the majority of the countries of the world that isn't taking an interest in the law of war."

Was it your ambition to lodge in people's minds the idea that there is a moral dimension to these things, that *rechtspolitik* is not the end of the matter?

"Absolutely. Absolutely," he repeated.

Is that why you took the job?

"That's one of the reasons. I realised immediately the tremendous importance for furthering the internationalisation of human rights that this sort of tribunal should succeed."

Goldstone's enthusiasm is unforced, unfeigned. To put it more mundanely, will this tribunal actually deter individual people from raping, torturing and killing, I asked.

"Yes," he said firmly. "There's only one way to stop criminal conduct in any country or in the international community. And that's the fear of detection - and punishment."

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WEEKEND INVESTOR

Results due next week

Table with columns: Company, Sector, Announcement date, Last year interim, Dividend (p), This year interim. Lists companies like BIAL DIVIDENDS, Anglo Pacific Resources, etc.

Offers for sale, placements & introductions

Braxcote is raising about £2.5m via a placing and open offer of 7.2m shares at 50p. Data Solutions is to raise about £20m via a placing. First Information Group is to raise £7m via a flotation.

Bids

This time last year Trafalgar House was embroiled in a tense takeover battle for Northern Electric, the regional electricity company. Now it could end up being taken over itself, writes Geoff Dyer.

Current takeover bids and mergers

Table with columns: Company, Value of bid, Market value, Bidder. Lists bids for companies like BET, Ferris Pickering, Ploas, etc.

Directors' share transactions in their own companies

Table with columns: Company, Sector, Shares, Value, No of directors. Lists transactions for companies like Appli Graphics, Ashford Group, etc.

Diary of a Private Investor

The need for brokers to go into battle - and to fight

Kevin Goldstein-Jackson on the debate over reform of London's stock exchange - and the disappointing response to an invitation to take part

The London Stock Exchange is making news again. Former chief executive Michael Lawrence recently told a House of Commons select committee examining the LSE's future that the influence of the market-making firms, and their opposition to reforms of the shared trading system, threatened to make it "largely irrelevant to its broker members".

As a private investor, I look upon my relationship with my brokers as being rather like hiring mercenaries to fight on my behalf: I would expect them to do battle with market-makers, exchange officials or anyone else standing in the way of getting me the best possible deal when I buy or sell shares.

Here was a chance for brokers to air their views on the possible extent of an order-driven system where buy and sell orders could be matched, so reducing the 'dominance' of market-makers

clearly do. There appears to be some unsatisfied demand for the ability to display individual orders. In June last year, the Securities and Investments Board (the City's chief watchdog) issued a report on market views of the stock exchange trading system. It cited one respondent as saying it was "possible currently for there to be a willing buyer and seller at a price, but for no transaction to take place because the parties were speaking to different brokers or because a marketmaker was unwilling to put the two together unless it could do so at a profit".

to the realists, armaments have been avoided by any worker in the relevant £25,000 and 10 weeks' pay.

Why I say I'm doubtful is that I don't have feelings that other decent human beings shouldn't also feel.

It's being laugh and mated at universities. There are articles in learned magazines about a subject that has an absolutely neglected And media. How frequently did I read about it? Not there's a bit of a newspaper in the territory of the countries of the old that isn't taking an interest in the world war.

Market's preliminary results

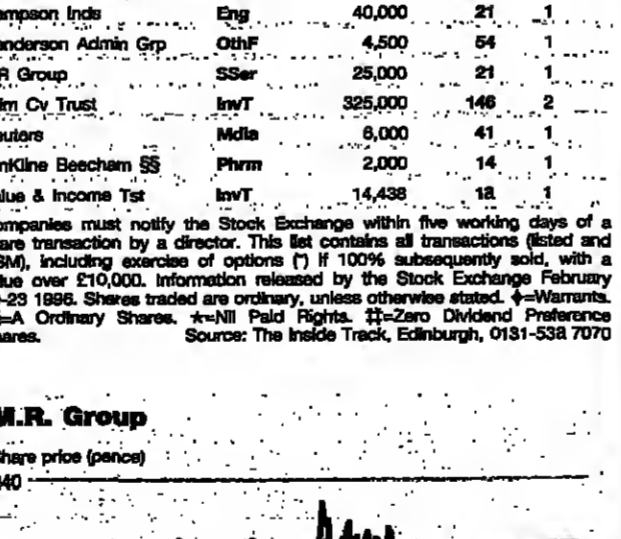
Table with columns: Company, Sector, Profit, Earnings, Dividends. Lists results for companies like Abbey National, Associated British Foods, etc.

Last week's interim results

Table with columns: Company, Sector, Half year profit, Pre-tax profit, Interim dividend. Lists results for companies like Alliance Resources, Anglo Pacific Resources, etc.

M.R. Group

Share price (pence) 240. The Sunday Times International Unit Trust Manager of the Year four times in the last seven years.



Directors' dealings

The reporting season is not yet in full swing but many companies have entered their closed period when directors are not allowed to deal, writes Vivien MacDonald of The Inside Track.

Advertisement for Perpetual World-Class Performance. Features a large image of a mountain landscape and text describing the fund's performance and investment strategy.

Advertisement for Cutlers Sheffield. Promotes a coupon for a direct order and mentions a new showroom in Sheffield.

Advertisement for Perpetual fund. Provides contact information for the fund manager and details about the fund's performance and investment approach.

# Weekend Investor

Wall Street

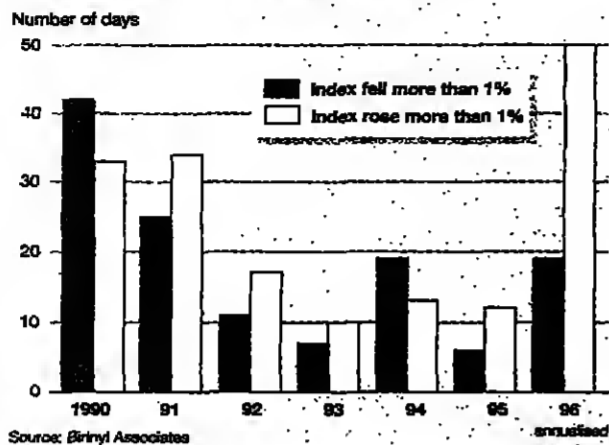
## Ground Control calling Major Dow...

### Lisa Bransten wonders how much longer US stocks can stay in their present orbit

Somewhere in outer space floats the satellite that came unbound from the space shuttle Columbia this week and now orbits the earth un tethered. Eventually, it will lose momentum and burn up as it re-enters the earth's atmosphere.

Back on earth, much debate is taking place about whether a similar fate awaits the US stock market, which tumbled through the first four days of this week after spending most of the past four months emulating a rocket freed from the burden of gravity. Unlike Columbia's satellite, however, it remains tethered by trading collars meant to prevent it from spinning off into space.

**Jumpiness in the Dow Jones**



So far this year, the collars that take over when the Dow Jones Industrial Average strays more than 50 points above or below its opening levels have been triggered 20 times, compared with just 23 times in all of last year. These mechanisms, which restrict programme trading, were put in place in August 1990 to prevent another computer-driven crash like 1987's one-day drop of more than 500 points, and they were triggered in every session from February 16 to February 28.

Of course, a 50-point move is not what it used to be. About this time last year, a change of 50 points represented 1.3 per cent of the blue chip index, now 50 points isn't even 1 per cent. But that the restrictions have been used so often points to an extraordinary jump in volatility.

Jeffrey Rubin, of Birinyi Associates, reckons that the Dow would, at its present pace, end with a gain or loss of more than 1 per cent higher or lower on 69 out of this year's 252 trading days, compared with 18 moves of more than 1 per cent last year and 32 in 1994. That kind of volatility has not been seen since 1937 when the Dow moved more than 1 per cent in nearly half of the year's trading sessions - and everyone knows what happened in October 1929.

But market strategists are hesitant to point to a year's erratic trading as a definitive sign that the end is near. For starters, the majority of trading restrictions this year have been put in place to slow a rising market and, in the first two months of the year, the Dow has risen more than 7 per cent, even after last week's loss of about 120 points by mid-

day yesterday.

"It's a warning sign, I wouldn't say it's a conclusive warning sign," Eric Miller, chief investment officer at Donaldson, Lufkin & Jenrette, says cafully. Although he does not think the stocks are entering a long-term bear market phase, he does think there is more room on the downside, especially with next month's first quarter reporting season coming up quickly.

Often, companies try to head off disappointments over earnings by issuing profit warnings well before they are due to issue their quarterly results, and a wave of pessimistic outlooks for corporate profits could have quite a strong dampening effect on the market. And, already, such worries are beginning to take their toll on the technology sector.

Yesterday, Compaq Computer warned that increasing competition was hurting its sales and margins, which sent its shares tumbling 7% (or 15 per cent) at 4:30 and spread shock waves through the entire personal computer sector. That led to a steep drop in shares of IBM, the Dow's priciest issue, and thus sparked a 44-point drop in the index. By lunchtime, however, the jittery shares had reversed course and blue chips had managed a gain of 15.54 at 5:00 PM.

Byron Weis, who has been among the market's most bullish cheerleaders, cites the volatility as one reason behind last week's step of increasing the cash position in his model portfolio to 10 per cent from 5 per cent, thus decreasing his suggested investment in equities to 90 per cent. Weis says he is not turning bearish - for the moment. But he adds: "There's a bear market lurking out there somewhere."

Another reason for the market's recent wild swings has been erratic trading on the bond market. The rally in bonds that, during the first trading days of the year, sent the yield on the benchmark 30-year Treasury below 6 per cent was built upon a set of stellar optimistic assumptions that have begun to return to earth in recent days.

The most important of those - that the economy was slowing sharply and might even head for recession - was developed in a data vacuum created after spats in Washington over a plan to balance the Federal budget led to the shutdown of several of the government's statistic-spotting offices.

As actual statistics emerged last month showing the economy to be weak but not necessarily recession-bound, the stock market initially tried to shrug off woes on the bond market.

But, as the long bond yield approached 6.5 per cent last week, the temptation in that market proved too much and became an additional factor hurting equities.

It might be that the economy is growing fast enough to hold up corporate profits, so keeping the market in orbit for a little while longer. But investors seem to be changing their minds daily.

**Dow Jones Ind Average**

|           |          |         |
|-----------|----------|---------|
| Monday    | 5,585.10 | - 65.28 |
| Tuesday   | 5,549.21 | - 15.88 |
| Wednesday | 5,506.21 | - 43.00 |
| Thursday  | 5,485.62 | - 20.59 |
| Friday    |          |         |

London

## Blame bonds for the gloom

### Philip Coggan looks back on a lacklustre February

Goodbye, February, and good riddance. A lacklustre period for equities saw the first calendar month decline in the FT-SE 100 index since June and only the second since the start of 1995. But this should be no surprise to historians. According to the Schwartz Stock Market Handbook, shares rose by an average of just 0.26 per cent in February over the 1919-1994 period, placing the month only eighth in the calendar rankings.

Much of the blame for the weakness last month must be attributed to global bond markets. The yield on the 30-year US Treasury bond, which had dipped below 6 per cent in January, briefly reached 6.5 per cent this week. A similar setback has occurred in the gilt market. By Thursday night, the yield on the benchmark 10-year gilt had climbed to 6 per cent, more than half a percentage point higher than its level at the start of February.

Equities find it quite difficult to make progress when bond yields are rising: once investors eye the higher returns available from fixed income, they are tempted to switch from shares to bonds. By Thursday, the ratio between long gilt and equity yields had reached 2.22, its highest level since the start of 1995, so indicating that shares are looking relatively expensive.

The risks look even greater if the yield on shares is compared with that on indexed gilts; the gap between the two is minimal (depending on which inflation assumption you use), historically a bad sign for shares.

A conventional gilt rally yesterday, on the back of a weak survey of UK purchasing managers, helped ease the pressure on shares. Or perhaps the markets were simply relieved that February was behind them. Whatever the reason, Footsie rebounded 25.1 points, finishing the week at 3,752.7, near the top of its 1996 range.

The performance of Footsie does not tell the whole story, however. The FT-SE Smaller Companies Index has outperformed the FT-SE 100 by 4.3 per cent since the start of the year. "The balance of growth in the economy in 1996 should favour smaller companies with a strong domestic focus, and we believe they will continue to outperform over coming months," says Richard Jeffrey, Charterhouse group economist.

Confirmation of the trend comes from statistics which measure the breadth of the market. Advancing stocks have outpaced declining stocks so far this year by a cumulative total of more than 5,000.

Bonds apart, the news was not so bad for UK equities this week. The results session continued without any shocks from leading companies: figures from British Aerospace, General Accident and Standard Chartered were especially well received. The combination of its European downstream operations with Mobil helped



Will markets decide that this cut is the last? Lyle van der Meer

shares in British Petroleum, one of the market's largest companies, rally strongly towards the end of the week.

A potential bid for Trafalgar House from Norwegian shipping group Kvaerner also ensured that the takeover bandwagon kept rolling along, and speculation had returned to the banks and some of the remaining independent electricity companies by the end of the week.

Not so good news for speculators came yesterday, however, with the Department of Trade and Industry's decision to refer the bid for Lloyds Chemists from Unilever to the Monopolies and Mergers Commission, and to ask the European Commission to allow the UK authorities to review the rival bid from Gehe of Germany.

At the start of the year, the market had two main worries. The first was that a slowing economy might hit corporate earnings and the second was politics. The government's one-vote victory in the debate on the Scott report on Monday averted the immediate crisis but it did little to reassure investors that the government would survive until the spring of 1997, when an election must be held.

But the political clouds have their silver lining. The markets seem hopeful that Chancellor Kenneth Clarke will be exceptionally eager to push for a further cut in base rates when he meets Eddie George, the governor of the Bank of England, next week. Certainly, there has been enough evidence of economic slowdown to give the chancellor a plausible case, politics aside.

The key question will be whether the markets decide that this cut is the last. Short sterling futures, the market's vehicle for speculating on interest rate movements, indicate that rates will fall by June but then climb back to their present 6.25 per cent by the end of the year.

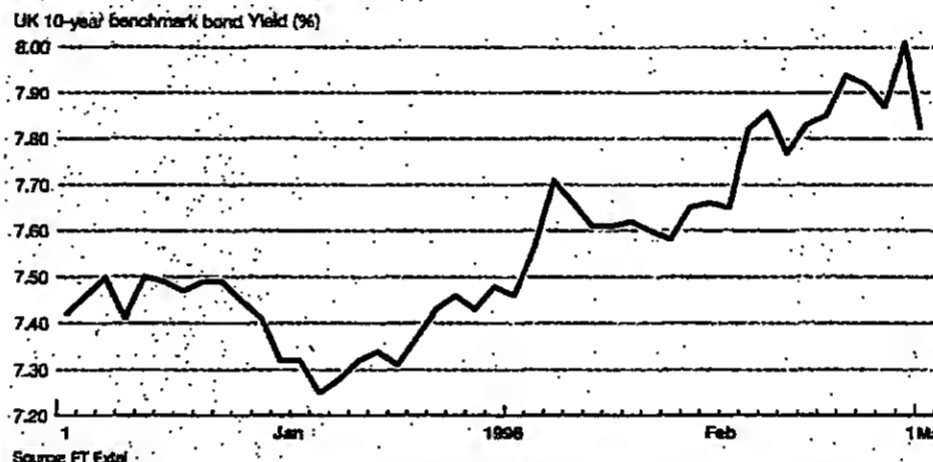
The point of the cycle when bull markets end is, all too often, when investors realise that interest rates are set to rise. Since the start of 1997, UK base rates have fallen in 15 phases and have risen in 14. In the periods when interest rates were declining, the All-Share rose by an average 19.1 per cent; in the periods when they were increasing, the All-Share managed an average gain of just 0.89 per cent.

Eight of the 14 periods of rising base rates saw falls in the All-Share, compared with only two stock market declines in the 15 phases of rate reductions. (The periods are taken from the date of the last cut to the date of the last rise, and vice versa.)

What might cause rates to rise? Money supply growth has been stronger than the Bank of England would like and the latest tax cuts will come into force in April, giving a boost to consumer wallets which will also be bolstered by building society distributions. The net effect, despite the recent signs of economic weakness, could be a UK rebound in the second half of the year.

In the perverse world of financial markets, this news, good for the rest of the population, could be bad for investors.

**Gilt yields top 6 per cent**



**Highlights of the week**

|                     | Price  | Change  | 52 week | 52 week |                              |
|---------------------|--------|---------|---------|---------|------------------------------|
|                     | Yield  | on week | High    | Low     |                              |
| FT-SE 100 Index     | 3752.7 | +12.4   | 3781.3  | 2977.0  | Wall Street volatility       |
| FT-SE Mid 250 Index | 4236.4 | +2.4    | 4238.4  | 3300.9  | Takeover rumours             |
| British Aerospace   | 252.0  | +9.0    | 303     | 461.6   | Strong results               |
| BP                  | 245    | +17.0   | 356     | 392     | Mobil merger                 |
| Cowi                | 329    | +19     | 329     | 242     | Updated results              |
| Dixon Motor         | 192    | -32     | 192     | 110     | Sector recovery              |
| Diors               | 487    | +16.0   | 457     | 203     | Brokers positive             |
| General             | 222    | +7.0    | 339     | 404     | USB upgrade                  |
| Kwik Save           | 480    | -18     | 732     | 465.0   | Brokers downgrade            |
| London Clubs        | 514    | +23     | 519     | 284     | Gaming regulation changes    |
| Statis              | 281    | +11.0   | 104     | 74.0    | Gaming rule changes proposed |
| Standard Chartered  | 890    | +38     | 862.0   | 247.0   | Well received figures        |
| Travalor House      | 443    | +6.0    | 84      | 18.0    | Bid talks                    |
| Transatlantic       | 541    | +10     | 371     | 314     | Good figures                 |
| Yorkshire Text      | 782.0  | +50.0   | 889.0   | 558     | Bid talk                     |

Barry Riley

## Vote now, we'll bill you later

### Politicians are taking on obligations they may not be able to honour

beleaguered governments are battling to survive at elections around the world. Today's knife-edge poll in Australia will be followed by a general election in Spain tomorrow. Italy votes next month and then Boris Yeltsin will battle against the odds for the Russian presidency.

Meanwhile, the US presidential election campaign has embarked upon its prolonged rituals.

Britain's own John Major narrowly escaped facing a vote of no-confidence this week. But the chances of a summer or autumn general election are growing.

There is no common swing of the pendulum to the right or left in all this. The main theme is that sitting governments are deeply unpopular. Bill Clinton might be the exception to this, thanks largely to the disarray among his Republican challengers. But, in too many countries, the experience is likely to be much like that of France last year: a struggling administration swept away by an opposition making promises it cannot possibly keep, and itself heading straight into trouble.

That spells uncertainty for the financial markets, and the rise in political risks has been an important element in the shake-out in global bonds during February - a month in which the yields on long-dated

government securities in many countries, ranging from Germany and the UK to Japan and the US, rose by more than half a percentage point.

Governments throughout the developed world are struggling with the consequences of low growth. Projected tax revenues are persistently under-shot and social security claims are rocketing. Prudent politicians might attempt to reduce the expectations of electorates but you do not easily win elections by promising, for instance, to cut pensions. Winners must peddle a message of hope.

In the UK there is Kenneth Clarke, the chancellor of the exchequer, blandly forecasting 3 per cent growth for 1996, although he will be lucky if it is much above 2 per cent. Public borrowing targets are slipping all the time out of reach. As for the Labour party, still apparently 30 per cent ahead in the public opinion polls, there are vague promises of acceleration of growth through higher investment although - don't worry - it will all be within a financially prudent framework.

That, at any rate, is the official "New Labour" approach. But a tract has reached me from Unreconstructed Labour, in the shape of Austin Mitchell's Labour Economic Policy Group, which argues that the UK's disappointing economic

performance can be blamed almost entirely on "hard money" policies. Those of us who regard sterling as a soft currency drifting near its all-time low, as measured by the Bank of England's trade-weighted index, will find this somewhat surprising. The LEPC thinks the UK could devalue its way to 5 or 6 per cent annual growth without any "serious" problems with inflation.

It is a typical fantasy of politicians at Westminster to believe that juggling with monetary policy can transform the economy. But, if growth is to be fostered, there must be high returns from new investment and great flexibility in the labour market and the planning environment. Let us be realistic, though: the national upward caused by a modest road by-pass around the Berkshire town of Newbury shows just how anti-growth the country has become.

Yet the political temptation to dash for growth is strong.

### Governments are slow to learn the harsh lessons of the debt markets

The financial tension has been heightened by the latest back-up in bond yields. Although the headline talk has been about cuts in short-term interest rates, the fact is that the long gilt-edged yield has been rising (to 8.3 per cent on Thursday).

Even the Bank of England now thinks inflation is likely to stay below 2% per cent on at least a two-year view. So, the real interest rate on long gilts is close to 6 per cent. If these low-growth, low-inflation conditions persist, the implication is that the Bank was unloading a severe burden on its future taxpayers when it sold £3bn of a 25-year gilt on Wednesday into an unenthusiastic market. Nobody can be completely confident that those future taxpayers are going to pay up. And there will be another £3bn next month (although probably not with such a long maturity) and so on, month after month.

Even in Germany, at the core of Europe, the burden is becoming close to intolerable. True, long bond yields in Germany are only about 6% per cent - but that is up from 5.8 per cent a few weeks ago. And inflation is heading down, towards 1 per cent.

The rise in bond yields reflects an increase in perceived financial risks. The politicians are taking on obligations that they or their successors may not, in the

long run, be able to honour. The political pattern is repeating itself. In France last year, Jacques Chirac had to cast aside some of his election promises, as well as a finance minister, and seek to trim his government's social security burdens. If the conservative Partido Popular wins power in Spain tomorrow from the socialists, it will similarly face a formidable challenge in tightening fiscal policy in order to move the country somewhere nearer to fulfilling the Maastricht convergence criteria.

Governments, like all feckless spenders, are slow to learn the harsh lessons of the debt markets. When they do not really need to borrow, unlimited sums are available. When they are up against it, the price rises sharply. And at some point, not easily foreseeable, the markets will slam shut against them at their hour of greatest need. We are not very close to that point yet, but the early warning signs of a steepening yield curve and sharp fluctuations in bond yields are there to be seen.

At election time, though, politicians have more urgent issues on their minds. If they lose, the public finances will be someone else's problem, anyhow. If they win, they will surely find a solution, somehow. Meanwhile, the politicians know that the creditors have few votes.

Offshore managed funds and UK managed funds are listed in Section One

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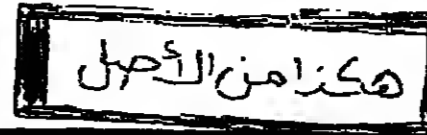
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AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as 'British Bond Managers Ltd (2000)', 'Commercial Union Fds Mgt Ltd - Condit', and 'Franklin Templeton Fds Mgt Ltd - Condit'.

Table listing unit trusts including 'Hercules Unit Trust Management Ltd (2000)', 'Lloyds UK Unit Trust Mgrs Ltd (1000F)', and 'Merrill Lynch Unit Trusts Ltd (2000F)'.

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Guide to pricing of Authorised Unit Trusts. Compiled with the assistance of AUIF SS. INITIAL CHARGE: Charge made by unit trust...

Table listing unit trusts such as 'Merrill Lynch Unit Trusts Ltd (2000F)', 'Merrill Lynch Unit Trusts Ltd (2000F)', and 'Merrill Lynch Unit Trusts Ltd (2000F)'.

Large table listing various unit trusts including 'Merrill Lynch Unit Trusts Ltd (2000F)', 'Merrill Lynch Unit Trusts Ltd (2000F)', and 'Merrill Lynch Unit Trusts Ltd (2000F)'.

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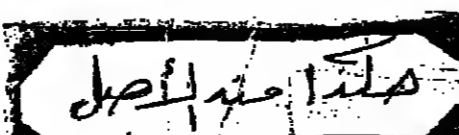
Table of FT Managed Funds Service listing various unit trusts and their performance metrics. Columns include fund name, price, and change. Major sections include Old Mutual Fund Managers Ltd, Notional Fund Managers - Contd., Scottish Widows Fund Manager - Contd., Weslcoast Unit Trust Managers Ltd, and others.

INSURANCES

Table of Insurance companies and their financial data. Columns include company name, price, and change. Major sections include AXA Life, AXA Equity & Law Life, and various other insurance providers.

OTHER UK UNIT TRUSTS

Table of Other UK Unit Trusts listing various investment funds and their performance. Columns include fund name, price, and change. Major sections include Abbey Life Assurance Co Ltd, Abbey National Life Plc, and various other unit trusts.



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Main table containing various fund names, categories, and prices. Includes sections for 'Money Market Trust Funds', 'Money Market Bank Accounts', and 'MANAGEMENT SERVICES'.

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Table with columns for Name, Address, and Job Title. Includes a section for 'MANAGEMENT SERVICES' with details on fees and services.

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OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Table listing Bermuda funds including Fidelity Currency Funds Ltd, Anglo Tyndal (Bermuda) Ltd, and others with columns for fund name, price, and change.

BERMUDA (REGULATED)\*\*

Table listing regulated Bermuda funds including Bermuda Intl Investment Manager Ltd, Bermuda Intl Investment Manager Ltd, and others.

GUERNSEY (SIB RECOGNISED)

Table listing Guernsey funds including AIB Investment Managers (Guernsey) Ltd, AIB Investment Managers (Guernsey) Ltd, and others.

GUERNSEY (REGULATED)\*\*

Table listing regulated Guernsey funds including AIB Investment Managers (Guernsey) Ltd, AIB Investment Managers (Guernsey) Ltd, and others.

IRISH REPUBLIC (SIB RECOGNISED)

Table listing Irish Republic funds including Anglo Irish Investment Managers Ltd, Anglo Irish Investment Managers Ltd, and others.

IRISH REPUBLIC (REGULATED)\*\*

Table listing regulated Irish Republic funds including Anglo Irish Investment Managers Ltd, Anglo Irish Investment Managers Ltd, and others.

IRELAND (SIB RECOGNISED)

Table listing Ireland funds including AIB Fund Management Ltd, AIB Fund Management Ltd, and others.

IRELAND (REGULATED)\*\*

Table listing regulated Ireland funds including AIB Fund Management Ltd, AIB Fund Management Ltd, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man funds including Anglo Manx Investment Managers Ltd, Anglo Manx Investment Managers Ltd, and others.

ISLE OF MAN (REGULATED)\*\*

Table listing regulated Isle of Man funds including Anglo Manx Investment Managers Ltd, Anglo Manx Investment Managers Ltd, and others.

ISLE OF MAN (SIB RECOGNISED)

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JERSEY (SIB RECOGNISED)

Table listing Jersey funds including Anglo Jersey Investment Managers Ltd, Anglo Jersey Investment Managers Ltd, and others.

JERSEY (REGULATED)\*\*

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JERSEY (SIB RECOGNISED)

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LUXEMBOURG (SIB RECOGNISED)

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LUXEMBOURG (REGULATED)\*\*

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LUXEMBOURG (SIB RECOGNISED)

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NETHERLANDS (SIB RECOGNISED)

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Main table containing various fund listings with columns for Fund Name, Price, and other details. Includes sections for 'OFFSHORE INSURANCES' and 'OTHER OFFSHORE FUNDS'.

MANAGED FUNDS NOTES: Please refer to the notes on page 14 for more details. The price shown is the last trading price... (Detailed disclaimer text follows)

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Mar 1/US\$)

(% per close)

Table of US stock market data including S&P 500, Dow Jones, and various sector indices.

CANADA (Mar 1/Can \$)

(% per close)

Table of Canadian stock market data including TSX 300 and various sector indices.

MEXICO (Mar 1/US\$)

(% per close)

Table of Mexican stock market data including IPC and various sector indices.

BRAZIL (Mar 1/R\$)

(% per close)

Table of Brazilian stock market data including Ibovespa and various sector indices.

EUROPE

(% per close)

Table of European stock market data including UK, France, Germany, and others.

ASIA (Mar 1/US\$)

(% per close)

Table of Asian stock market data including Japan, Korea, and others.

AUSTRALIA (Mar 1/A\$)

(% per close)

Table of Australian stock market data including ASX 200 and various sector indices.

NEW ZEALAND (Mar 1/NZ\$)

(% per close)

Table of New Zealand stock market data including NZSE 50 and various sector indices.

AFRICA

(% per close)

Table of African stock market data including JSE 200 and various sector indices.

SOUTH AMERICA

(% per close)

Table of South American stock market data including BVL and various sector indices.

INDICES

(% per close)

Table of global indices including S&P 500, Nikkei, and others.

US INDICES

(% per close)

Table of US market indicators including Dow Jones, S&P 500, and others.

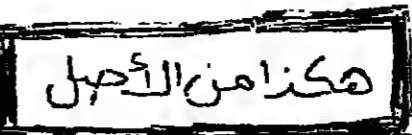
TRADING ACTIVITY

(% per close)

Table of trading activity for various markets including volume and turnover.

Advertisement for Rockwell, featuring the text 'As builder of the Space Shuttle and its main engines, Rockwell continues to explore the frontiers of space' and the Rockwell logo.

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WORLD STOCK MARKETS

US stocks in volatile mid-session trade

Shares moved into another volatile session as blue chips alternated between gains and losses in the market...

Exchange composite was 0.15 weaker at 561.85. NYSE volume came to 288m shares. Bonds gained amid renewed hopes that the Federal Reserve might lower interest rates...

Latin America MEXICO CITY was led higher by a rise in its ADRs traded on Wall Street. By mid-session the IPC index was up 30.41 or 1 per cent at 2,882.85.

Tricky path through the political labyrinth

John Simkins on the outlook for Milan equities The unveiling of a new political party emblem in Italy this week, bearing the name Dini on a blue background...

Corporate deals steer Paris through 2,000

Bourses offered a variety of responses to the Dow's afternoon volatility. PARIS broke convincingly through the 2,000 level as foreign institutions, particularly from the US, CAC-40 index closed with a gain of 26.42 to 2,017.18...

Table with columns: FT-SE Actuaries Share Indices, Date, Index Value, Change. Includes FTSE 100, FTSE 250, and EUROPEAN SERIES.

The composite index added 1.58 to 52.133, recovering from Thursday's 1.3 per cent loss and up 15 per cent since February 15 when the market closed for a nine-day holiday...

Corporate deals steer Paris through 2,000

index rising another 3.37 to 51.65 for a gain on the week of 1.3 per cent. The session's main feature was Getronics, the computer services company, up 11.1 to 110.25...

Dealers believed that the positive reception for the Chargeurs demerger announcement earlier in the week, and the takeover bid by Paribas for Navigation Mixte, had joined with the most recent recovery in the dollar to boost confidence in the market...

Other analysts were not convinced. "This share has been a permanent victim of speculation that has made for erratic moves over a long period of time," said one.

Written and edited by William Cochrane, Michael Morgan and John Pitt

London Equities

RISES AND FALLS British Funds 59 2 9 134 140 70 Other Fixed Interest 8 1 5 9 20 41 Mineral Extraction 67 4 65 485 521 407

Nikkei boosted by Tankan survey

Foreign investors were encouraged by Daiwa Bank's plea bargaining deal with US prosecutors over its fraudulent bond deals. Daiwa gained ¥3 to ¥743, and expectations of further reorganisation of the banking industry prompted purchases in the sector...

only fractionally higher on a week which took in cabinet approval to lift the ceiling on foreign investment from 15 to 20 per cent of the market's capitalisation, and the entry of a government-promoted stabilisation fund.

FT/SE ACTUARIES WORLD INDICES

Table showing FT/SE Actuaries World Indices for Thursday February 29 1996 and Wednesday February 28 1996. Includes columns for Index, Change, and High/Low.

RIGHTS OFFERS

Table listing rights offers with columns for Issue, Amount, Last Price, and Closing Price.

FINANCIAL TIMES EQUITY INDICES

Table showing Financial Times Equity Indices for various dates and indices like Ordinary Shares, Div. Yield, P/E Ratio, etc.

FT GOLD MINES INDEX

Table showing FT Gold Mines Index with columns for Index, Change, and High/Low.

Advertisement for Les Echos newspaper, mentioning it is a French newspaper with a unique recruitment advertising opportunity.

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LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Tallymen system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. † Bargains due the previous day.

British Funds, etc 020287 Treasury 13 1/2% ...

Corporation and County Stocks London County 2 1/2% ...

UK Public Bonds Metropolitan Water 3 1/2% ...

Commonwealth Government South Australian 3% ...

Foreign Stocks, Bonds, etc (coupons payable in London) Abbey National Capital PLC 2 1/2% ...

British Gas PLC 8 1/4% ...

British Telecom PLC 7 1/2% ...

British Airways PLC 6 1/2% ...

British Petroleum PLC 7 1/2% ...

British Airways PLC 6 1/2% ...

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FT-SE ACTUARIES INDICES

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The Financial Times plans to publish a Survey on

World Coal Industry

on Wednesday, March 13

Do you want to reach senior decision makers in the world coal mining and equipment business?

Contact: Anthony Hayes He will tell you how.

Tel: +44 121 454 0922 Fax: +44 121 455 0869

George House, George Road, Edgbaston, Birmingham B15 1PG

FT Surveys

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MARKET REPORT

Interest rate optimism drives equities higher

By Steve Thompson, UK Stock Market Editor
The London market's recent preoccupation with Wall Street's...
The rate cut hopes, which have been on the back burner recently...

with Mr Eddie George, governor of the Bank of England, next Thursday...
Talk around the market was that a reduction of 25 basis points was the market's card...

Yorkshire Electricity was again seen as a strong contender to attract the attention of a bidder in the very short term...
There were disappointments, however, drinks stocks gave ground after broker downgrades...

TRADING VOLUME IN MAJOR STOCKS

Table with columns: No. of Shares, Opening, Day's Change, % Change. Lists major stocks like BP, Shell, British Telecom, etc.

EQUITY FUTURES AND OPTIONS TRADING

Stock index futures ended a volatile week with a strong run, closing 33 points higher in another high volume session...
Volume in the FT-SE 100 March contract again topped 14,000 lots...

Table showing FT-SE 100 Index Futures (Liffe) and Options (Apt) trading data with columns for Open, Settle, Price, Change, High, Low, etc.

FT-SE A ALL-SHARE LEADERS & LAGGARDS

Table listing top and bottom performing stocks in the FT-SE All-Share index, including companies like British Telecom, BT Group, etc.

Bid talk returns to waters

Bid speculation returned to utilities yesterday sending both electricity and water stocks sharply ahead...
The talk in the water sector, which followed an article in the trade press...

NEW 52 WEEK HIGHS AND LOWS

Table listing new 52-week high and low stocks, including companies like British Telecom, BT Group, etc.

FT-SE A All-Share Index

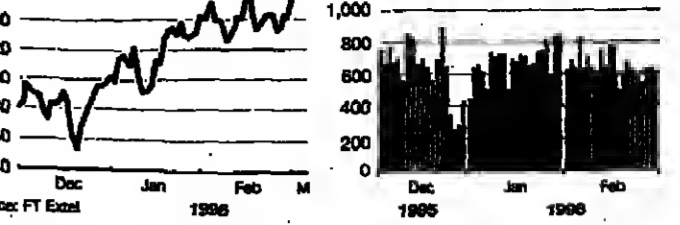


Table showing indices and ratios for FT-SE A All-Share, including Mid 250, 350, and All-Share yield.

Equity shares traded

Table showing turnover by volume (million) and value (£ million) for equity shares traded.

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various companies like British Telecom, BT Group, etc.

FT-SE ACTUARY SHARES INDICES

Table showing FT-SE Actuary Shares Indices for various insurance companies like Prudential, etc.

The UK Series

Table showing UK Series indices for various sectors like Chemicals, Electronics, etc.

FT-SE ACTUARY ALL-SHARE

Table showing FT-SE Actuary All-Share indices for various insurance companies.

OXFEX FACILITY

Table listing OXFEY Facility data for various companies, including Mid Price, Change, etc.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, FT-SE A 350.

FT-SE ACTUARY 350 Industry baskets

Table showing FT-SE Actuary 350 Industry baskets for various sectors like Energy, etc.

Advertisement for OXFEY Facility, featuring a large graphic of a wood grain and text: 'We're good to wood', 'Only 12% of the World's production of wood is used in papermaking.'

Advertisement for The All England Lawn Tennis Ground plc, featuring text: 'THE ALL ENGLAND LAWN TENNIS GROUND plc ("Company")', '£2,000 nominal debentures 1996/2000 Series'.

Advertisement for Fidelity Brokerage, featuring text: 'Fidelity Brokerage Services, Freetrust (K7932), Tadworth, Surrey KT20 6ER', 'I make my own investment decisions and trade at least 25 times a year.'

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector with columns for company name, price, and change.

BANKS, MERCHANT

Table listing companies in the Banks, Merchant sector with columns for company name, price, and change.

BANKS, RETAIL

Table listing companies in the Banks, Retail sector with columns for company name, price, and change.

BREWERIES, PUBS & REST

Table listing companies in the Breweries, Pubs & Rest sector with columns for company name, price, and change.

BUILDING & CONSTRUCTION

Table listing companies in the Building & Construction sector with columns for company name, price, and change.

BUILDING MATS. & MERCHANTS

Table listing companies in the Building Mats. & Merchants sector with columns for company name, price, and change.

BUILDING MATS. & MERCHANTS - Cont.

Continuation of Building Mats. & Merchants table.

CHEMICALS

Table listing companies in the Chemicals sector with columns for company name, price, and change.

DISTRIBUTORS

Table listing companies in the Distributors sector with columns for company name, price, and change.

DIVERSIFIED INDUSTRIALS

Table listing companies in the Diversified Industrials sector with columns for company name, price, and change.

ELECTRICITY

Table listing companies in the Electricity sector with columns for company name, price, and change.

ELECTRONIC & ELECTRICAL EQPT

Table listing companies in the Electronic & Electrical Eqpt sector with columns for company name, price, and change.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Continuation of Electronic & Electrical Eqpt table.

ENGINEERING

Table listing companies in the Engineering sector with columns for company name, price, and change.

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector with columns for company name, price, and change.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector with columns for company name, price, and change.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries table.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries table.

FOOD PRODUCERS

Table listing companies in the Food Producers sector with columns for company name, price, and change.

GAS DISTRIBUTION

Table listing companies in the Gas Distribution sector with columns for company name, price, and change.

HEALTH CARE

Table listing companies in the Health Care sector with columns for company name, price, and change.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector with columns for company name, price, and change.

HOUSEHOLD GOODS - Cont.

Continuation of Household Goods table.

HOUSEHOLD GOODS - Cont.

Continuation of Household Goods table.

INSURANCE

Table listing companies in the Insurance sector with columns for company name, price, and change.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector with columns for company name, price, and change.

INVESTMENT TRUSTS - Cont.

Continuation of Investment Trusts table.

INVESTMENT TRUSTS - Cont.

Continuation of Investment Trusts table.

INV TRUSTS SPLIT CAPITAL

Table listing companies in the Inv Trusts Split Capital sector with columns for company name, price, and change.

INV TRUSTS SPLIT CAPITAL - Cont.

Continuation of Inv Trusts Split Capital table.

INV TRUSTS SPLIT CAPITAL - Cont.

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INV TRUSTS SPLIT CAPITAL - Cont.

Continuation of Inv Trusts Split Capital table.

Handwritten text in Arabic script: "مكتبة مصر الجديدة"

TRUSTS SPLIT CAPITAL - Cont.

Table listing various trusts and their financial details, including names like 'The British Trust for Ornithology' and 'The British Trust for Conservation'.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts and their performance metrics.

INVESTMENT COMPANIES

Table listing investment companies and their share prices.

LEISURE & HOTELS

Table listing leisure and hotel companies and their share prices.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies (continued).

LIFE ASSURANCE

Table listing life assurance companies and their share prices.

MEDIA

Table listing media companies and their share prices.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies and their share prices.

OIL, INTEGRATED

Table listing integrated oil companies and their share prices.

OTHER FINANCIAL

Table listing other financial companies and their share prices.

OTHER FINANCIAL - Cont.

Table listing other financial companies (continued).

PAPER, PACKAGING & PRINTING

Table listing paper, packaging and printing companies and their share prices.

PHARMACEUTICALS

Table listing pharmaceutical companies and their share prices.

PHARMACEUTICALS - Cont.

Table listing pharmaceutical companies (continued).

PROPERTY

Table listing property companies and their share prices.

PROPERTY - Cont.

Table listing property companies (continued).

RETAILERS, FOOD

Table listing food retailers and their share prices.

RETAILERS, GENERAL

Table listing general retailers and their share prices.

RETAILERS, GENERAL - Cont.

Table listing general retailers (continued).

SUPPORT SERVICES

Table listing support services companies and their share prices.

SUPPORT SERVICES - Cont.

Table listing support services companies (continued).

TELECOMMUNICATIONS

Table listing telecommunications companies and their share prices.

TEXTILES & APPAREL

Table listing textiles and apparel companies and their share prices.

TOBACCO

Table listing tobacco companies and their share prices.

TRANSPORT

Table listing transport companies and their share prices.

WATER

Table listing water companies and their share prices.

AIM - Cont.

Table listing AIM companies (continued).

AMERICANS

Table listing American companies and their share prices.

CANADIANS

Table listing Canadian companies and their share prices.

SOUTH AFRICANS

Table listing South African companies and their share prices.

GUIDE TO LONDON SHARE SERVICE

Price for the London Share Service delivered by FT Ltd, a member of the Financial Times Group. Company classifications are based on those used for the FT-SE 100 Index. Quoting prices are shown in pence unless otherwise stated. High and low are based on 100-day periods. Where shares are quoted in pounds sterling, the price is indicated after the pound sign. Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday. Market capitalization shown in calculated separately for each of stock exchange. Company data in calculations are based on MFI (Monthly) Exchange/Financials. Dividend yields are based on latest annual reports and accounts and, where possible, are updated on interim figures. Yields are based on 100-pence, are gross, adjusted for a standard 10% credit of 20 pence net and other for value of fractional distribution. Estimated Net Asset Value (NAV) are shown for investment trusts, at prices per share, plus or minus discounts or premiums. P/E is the current closing share price. The NAV shows average price change at per cent, converted to annualized returns excluding other factors. Includes the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange's Automated Quotation System (SAQS) and non-UK stocks through the Euronext International system. Highs and lows marked have been adjusted to allow for capital changes. Shares are marked as increased or restored. Shares are marked as reduced, suspended or delisted. Shares of recent acquisition. Note 2: 100p Overseas Incorporated companies listed on an approved exchange. Free annual reports report available, see details below. Prices are listed on Stock Exchange and company not subject to same degree of regulation as listed securities. Prices are marked as increased or restored. Prices are marked as reduced, suspended or delisted. Prices at time of suspension. Forward dividend yield, p/e based on coverage implied by latest interim statement. Unregulated collective investment schemes. A Yield based on 100-pence. B Dividend yield based on 100-pence. C Dividend yield based on 100-pence, plus or minus discounts or premiums. D Dividend yield based on 100-pence, plus or minus discounts or premiums. E Dividend yield based on 100-pence, plus or minus discounts or premiums. F Dividend yield based on 100-pence, plus or minus discounts or premiums. G Dividend yield based on 100-pence, plus or minus discounts or premiums. H Dividend yield based on 100-pence, plus or minus discounts or premiums. I Dividend yield based on 100-pence, plus or minus discounts or premiums. J Dividend yield based on 100-pence, plus or minus discounts or premiums. K Dividend yield based on 100-pence, plus or minus discounts or premiums. 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Y Dividend yield based on 100-pence, plus or minus discounts or premiums. Z Dividend yield based on 100-pence, plus or minus discounts or premiums. The service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1500 a year for each security shown, subject to the issuer's agreement. FT Free Annual Reports Service. You can obtain the current annual/interim report of any company associated with FT. Please quote the code FT2025, Ring 0181 770 0770 (open 24 hours) or Fax 0181 770 3822. Reports will be sent the next working day, subject to availability. Both Annual Reports and FT Company Focus are available from the above number. FT Company Focus. 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A WRITER



Clinton grants visa to Sinn Féin leader Adams

By Robert Peston and James Harding in London, Patti Waldmeir in Washington and John Kampfar in Bangkok

US President Bill Clinton last night agreed to give a visa to Mr Gerry Adams, the leader of Sinn Féin, the political wing of the IRA...

secretary of state, and will not be allowed on US administration property. The visa is understood to be revocable if there are further bombings by the IRA.

A White House official said: "The president would not have taken the step of approving the visa if he did not believe, based on our contact with Mr Adams, that this could further the peace process."

A Downing Street spokesman said: "This was, as we have always said, a matter for the American government."

Gorbachev plans to stand for Russian president

By John Thornhill in Moscow

Mr Mikhail Gorbachev, the former Soviet leader who dismantled the country's totalitarian system, yesterday came out of retirement and declared he wanted to be the next Russian president.

Mr Gorbachev, seemingly loathed in Russia as much as he is lauded in the west, appears to stand little chance of success in the June election and has no formal party structure to support his candidacy.

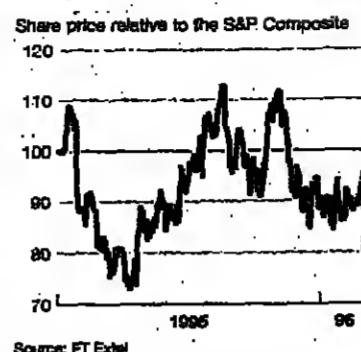
THE LEX COLUMN

PC incorrect

It is too early to say that the personal computer market is in deep trouble. But the evidence of problems is mounting.

FT-SE Eurotrack 200: 1674.6 (+17.9)

Compaq Computers



Source: FT Eclat

lack is the customer records which give rise to a good idea of customers' energy usage patterns, and hence a splendid opportunity to cherry-pick.

Rentokil/BET

Judging by the stock market's reaction, the battle between Rentokil and BET is turning into a push-over. At 199p, BET's share price is only 0.2p above Rentokil's current cash-and-shares offer.

Compaq

Continued from Page 1

PCs and Compaq is the market leader in this segment. To protect its market leadership and maintain growth momentum, Compaq would lower its prices and launch a promotional campaign in North America, said Mr White.

Compaq said these actions would enable it to meet a very aggressive sales target of 35 per cent growth for the first quarter, well above the expected market growth of 15-20 per cent.

Some of the new competition in the PC server market is coming from IBM, which last year launched a new range of aggressively priced products.

Opposition set for win

Continued from Page 1

in key cities. Today is set aside as a statutory "day of reflection" before polling stations open on Sunday.

Mr Felipe González, prime minister, ended his campaign in his home city of Seville after a meeting earlier in the evening in Madrid. Mr José María Aznar, the PP leader, was travelling in the opposite direction, concluding a day of four rallies at a sports hall in Madrid.

On Thursday, Mr Aznar set a record for Spain's post-Franco democracy by gathering 60,000 people in a football stadium in Valencia.

head-on televised debate between party leaders after the parties failed to agree on the form it should take.

Instead, Spanish state television broadcast interviews with both the main party leaders on Thursday evening, watched by fewer than 3m people - less than a tenth of the electorate. Mr Aznar stressed the need for "honest and efficient" government, while Mr González presented the Socialists as standard-bearers of a tolerant and modern society.

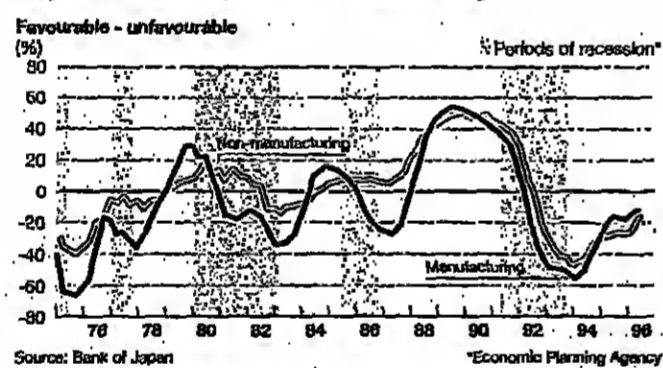
Confidence

Continued from Page 1

minus 25 per cent. There was a small improvement in the balance of companies reporting excess inventories of unsold stocks and materials, from 19 per cent last November, to 18 per cent in February.

However, the small improvement on the surplus labour front has not been enough to entice corporate Japan to resume recruiting. Unemployment stagnated at a record 3.4 per cent for the third month in a row in January, according to the management and co-ordination agency.

Japan: business conditions survey



Source: Bank of Japan

ment in the weak labour market as the number of jobs available per 100 applicants increased from 67 in December to 69 in January.

by the latest consumer price figures. February prices in Tokyo - an accurate advance indicator of national inflation - were unchanged on January and down 0.2 per cent from February last year.

Lloyds Chemists

Mr John Bridgeman, the director-general of Fair Trading, is gaining a reputation for dropping bombshells. But yesterday's decision to refer Unichem's bid for Lloyds Chemists to the Monopolies and Mergers Commission, and to try to retrieve Gehe's bid from the European Commission, should not have been as unexpected as it was.

UK gas/electricity

The British government is right to be worried about Sweb's remarkable success in marketing gas to its domestic electricity consumers. It highlights a basic unfairness in the opening-up of Britain's energy markets to competition: until electricity supply is liberalised, regional electricity companies will be able to sell gas to British Gas's domestic customers, but British Gas will not be able to sell electricity to theirs.

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The programme is taught by the School's internationally renowned finance faculty. It can be completed in nine months of full-time study, or on a part-time basis over two years of mainly evening attendance. To find out more come to one of our information sessions:

- London - Thursday 7 March at 6.15pm
London Business School, Sussex Place NW1
London - Tuesday 2 April at 6.15pm
London Business School, Sussex Place NW1
London - Wednesday 1 May at 6.15pm
London Business School, Sussex Place NW1
Asia (continued)
Kuala Lumpur - Wednesday 13 March at 6.15pm
Hotel Istana, 73 Jalan Raya Chulan
Singapore - Thursday 14 March: presentation at 6.15pm or drop-in between 12 noon - 4.00pm
Westin Stamford Hotel, 2 Stamford Road
Rest of the World
Frankfurt - Wednesday 27 March at 6.15pm
Steigenberger Frankfurter Hof, Am Kaiserplatz
Los Angeles - Monday 1 April
The Biltmore, 506 S Grand Ave at 12.30pm
Century Plaza Hntel, 2025 Ave of the Stars at 6.15pm
Toronto - Monday 15 April at 6.15pm
The Four Seasons Hotel, 21 Avenue Road

Information about the MBA and Sloan Masters Programme will also be available
For a brochure, fax or mail the coupon, attach a business card, or write to: The Information Officer, Finance Programmes Office, London Business School, Sussex Place, Regent's Park, London NW1 4SA, UK.
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Fax: 723 1788 or 724 7875
e-mail: mifinfo@lbs.ln.ac.uk
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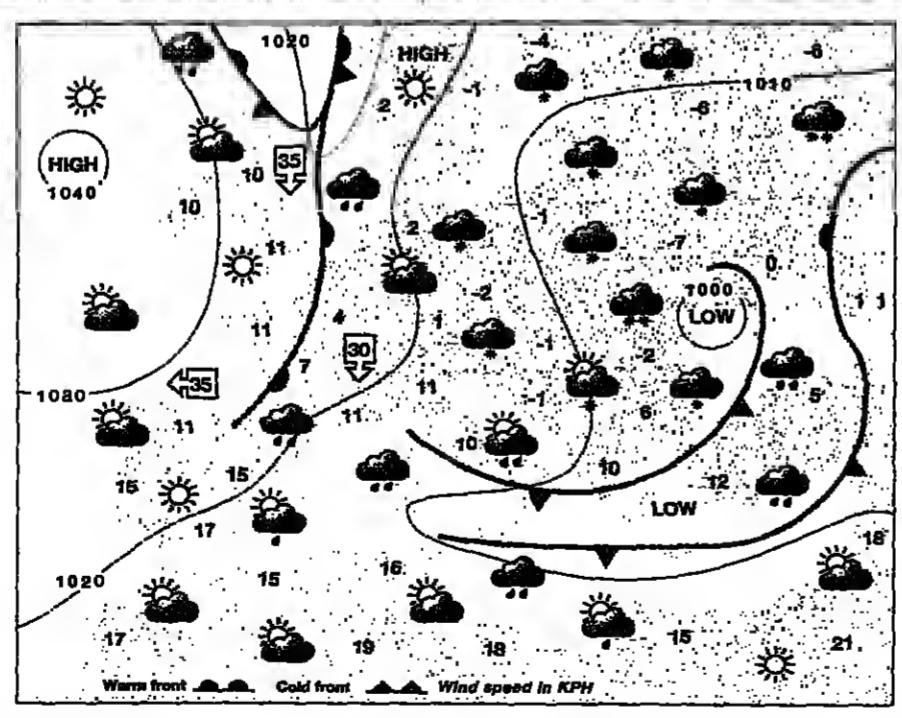
FT WEATHER GUIDE

Europe today

Most of Europe will be tranquil because of strong high pressure to the west of the British Isles. Most air will move to the south around this high, bringing cloud and some rain to the south-eastern UK, the south-western Benelux and most of France.

Five-day forecast

High pressure will move towards the southern British Isles, bringing calm conditions with sunny spells to the UK, the Benelux, France and Germany. There will be a risk of fog during the early morning.



TODAY'S TEMPERATURES

Table with columns for location, temperature, and weather conditions. Locations include Abu Dhabi, Accra, Algiers, Amsterdam, Athens, Atlanta, B. Aires, Bham, Bangkok, Barcelona, Beijing, Berlin, Bogota, Bombay, Buenos Aires, Budapest, C. Aires, Cape Town, Caracas, Cardiff, Casablanca, Chicago, Cologne, Dallas, Delhi, Dubai, Dublin, Edinburgh, Faro, Frankfurt, Geneva, Gibraltar, Glasgow, Harbin, Helsinki, Hong Kong, Hanoi, Istanbul, Jakarta, Jerusalem, Jersey, Karachi, Kuwait, Las Vegas, Las Palmas, Lima, Lisbon, London, Luxembourg, Lyon, Madeira, Madrid, Manila, Mexico City, Milan, Moscow, Mumbai, Naples, Nassau, New York, Nice, Niigata, Oslo, Paris, Perth, Prague, Rangoon, Reykjavik, Rome, Seoul, S. Francisco, Stockholm, Stuttgart, Sydney, Taipei, Tangier, Tokyo, Toronto, Vancouver, Venice, Vienna, Warsaw, Wellington, Wroclaw, Zurich.

Lufthansa logo and text: No other airline flies to more cities in Eastern Europe.